1976-77 FINAL BUDGET

FISCAL YEAR

Santa Clara Valley Water District

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WATER DISTRICT
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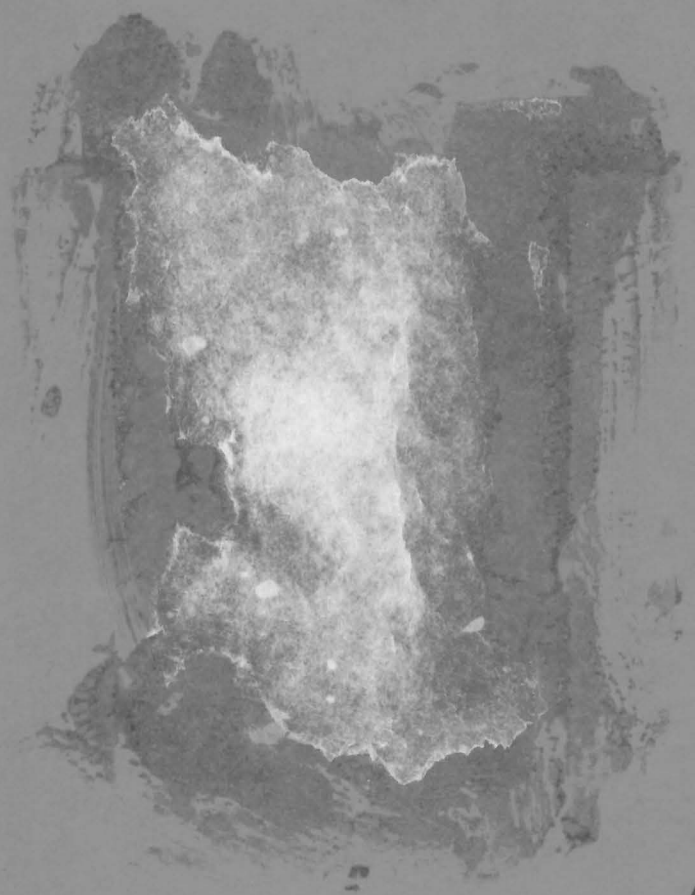

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SUBMITTED BY: John T. O'Halloran
General Manager

BOARD OF DIRECTORS

James J. Lenihan, Chairman

Joe Chiri
Maurice E. Dullea
Patrick T. Ferraro
Edmund A. Mirassou
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SANTA CLARA VALLEY WATER DISTRICT
1976-77

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GENERAL INFORMATION

To finance its activities, the District has been divided into zones of benefit. Six of these zones support flood control activities. The boundary of each zone is described at the beginning of its Budget Summary. The remaining zones have been established for the conservation, distribution and treatment of local and imported water.

Ad valorem taxes are levied in each of the Flood Control Zones based upon estimated expenditures each budget year. The expenditures within each zone for all programs are presented on the program summary sheets within each zone budget.

Budgeting for the Water Utility is accomplished on an enterprise fund basis. Water supply activities are partially financed by a Countywide ad valorem tax to pay for the cost of import facilities and for the recreational benefits derived from the District's reservoirs. The major source of water supply income is a charge levied on all groundwater extracted within Zone W-2 of the District and from the sale of treated water. Other sources of revenue result from the levy of an ad valorem tax in Zones W-3 and W-4 and from the sale of surface-delivered untreated water.

The District levies a small Countywide administration tax on secured and unsecured property to purchase fixed assets such as office equipment and to fund general governmental costs required in the overall operation of the District.

BUDGETING PROCESS

The budget is prepared as a cooperative effort of all organizational units and reviewed by a Budget Committee. Responsibility is established for every project in each program. Each work effort is defined by Project Coordinators and each participating organizational unit budgets the items necessary for its successful completion.

Each activity of the District can be related to one of several financial accounting units known as "cost centers". Within each cost center subgroupings of related activities are determined and called programs, an analysis of the major programs would show the following allocation of activities:

ADMINISTRATION includes all labor and contractual services required in the administration of a cost center.

PLANNING — includes all labor and contractual services on projects up to the final design activity which is included in the Construction Program. Planning includes all planned studies, the preparation of hearing plans, and certain special studies.

CONSTRUCTION — includes all labor, use or purchase of equipment and contractual services which result in the completion of a project or a substantial improvement to the life or value of a physical project or the acquisition of a new physical asset.

MAINTENANCE — includes all work performed on District projects, facilities or equipment which result in maintaining constructed works or equipment in operating condition.

OPERATIONS — includes all work performed in the release, diversion, treatment or transportation of water in or through channels or pipelines.

MAJOR PROJECTS PROPOSED FOR 1976-77

This section will highlight the major projects proposed for 1976-77. It should be noted, however, that all projects in the Planning and Construction Programs are explained within each cost center. Included at the end of each section is a listing of each project showing the amount budgeted for each program.

ADMINISTRATION — Work within this program provides a focal point to capture administrative support including District labor and contractual services which benefit the entire cost center and are not allocable to any individual project. Included are costs for Ordinance Administration, Insurance and a general administrative project. The total cost of all Administration Programs in the zones and Water Utility are budgeted at an increase of 25 percent compared with the 1975-76 fiscal year. This increase is due to a budgeted amount of $492,000 for loan payment in the East Zone.

PLANNING — Work within this program provides coordinated studies and planning activities to support the needs of the cost center. Major planning studies for the 1976-77 fiscal year are:

Cost Center	Project Title	Cost
Northwest	Adobe Creek	$ 30,205
Northwest	Barron Creek	41,204
Northwest	Permanente Creek	43,143
Northwest	Stevens Creek	47,555
North Central	Calabazas Creek	64,677
North Central	San Tomas Aquino Creek	26,114
North Central	Saratoga Creek	32,437
North Central	Wildcat Creek	28,189
Central	Guadalupe River-Corps of Engineers Study	34,307
Central	Guadalupe River	33,006
Central	Los Gatos Creek	96,584
East	Guadalupe River-Corps of Engineers Study	34,318
East	Penitencia Creek - Upper	74,897
South	Pajaro River-Corps of Engineers Study	25,745
Source of Supply	Saltwater Intrusion Study	51,686
Source of Supply	Reservoir Landslide Investigation	47,868
Source of Supply	Coyote Dam & Reservoir Landslide Investig.	69,332
Admin. & General	Financial and Cash Flow Study	45,744
Admin. & General	Annual Water Supply Balance	30,414
Admin. & General	Water Reclamation Studies	71,965
Admin. & General	Groundwater Model	27,350
Admin. & General	Water Resources Master Planning	225,922
Admin. & General	Water Quality Studies	79,438

CONSTRUCTION

The capital improvements budgets include the following major improvements to be initiated or completed in 1976-77. Details may be reviewed within the individual cost center text.

Cost Center	Project Title	Cost
Northwest	Barron Creek	808,209
Northwest	Matadero Creek	294,819
Northwest	Permanente Creek	141,978
Northwest	Stevens Creek	235,099

Cost Center	Project Title	Cost
Northwest	Palo Alto Flood Basin	$ 606,464
North Central	Calabazas Creek	3,307,401
North Central	Regnart Creek	196,906
North Central	San Tomas Aquino Creek	218,350
North Central	Saratoga Creek	914,491
North Central	Sunnyvale East Outfall	417,101
Central	Alamitos Creek	1,673,317
Central	Guadalupe River	284,430
Central	Los Gatos Creek	1,036,554
Central	Guadalupe Creek	326,628
East	Berryessa Creek	110,858
East	Silver Creek - Lower	777,035
Source of Supply	SCVWD Water Reclamation Facility	284,016
Raw Water T&D	Vasona Pump Station	799,084
Raw Water T&D	Penitencia Percolation System	103,515
Raw Water T&D	Coyote-Madrone Distribution System	128,893
Water Treatment	Control System - RWTP	123,226
Treated Water T&D	East Pipeline	1,110,550
Treated Water T&D	East Reservoir	3,207,944

MAINTENANCE & OPERATIONS

Projects within these programs capture costs associated with the operations of all facilities for the water supply and for the maintenance of all constructed facilities and equipment in the Flood Control Zones and Water Utility to maintain them in the original or improved condition. The total Operations Program in all cost centers has increased by 10 percent compared to fiscal year 1975-76. The total Maintenance Program has increased by 11 percent.

POTENTIAL CONSTRUCTION

In some of the Flood Control Zones and in the Water Utility, potential construction funding is provided. These appropriations contain funds which may be expended if work progresses faster than anticipated. A detailed description of potential construction funding is included in each applicable cost center.

DISTRICT SALARIES AND STAFF

The following presents a comparison of actual salaries for fiscal years 1973-74 and 1974-75, those approved in fiscal year 1975-76, and those requested for fiscal year 1976-77.

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Permanent Position Salaries	$3,618,072	4,099,584	4,345,700	5,576,183	5,576,183
Temporary Employee Salaries	140,625	119,854	136,910	218,916	218,916
Overtime Salaries	103,450	148,151	181,251	214,395	214,395
Total	$3,862,147	4,367,589	4,663,861	6,009,494	6,009,494
Permanent Positions	281	281	286	291	291

The following presents a comparison of the District staff for the current year and that requested for the new fiscal year. There is a net increase of 2 new positions requested for fiscal year 1976-77.

	1975-76	Changes During 1975-76	1976-77 New Requests	1976-77 Proposed Staff
General Manager	8	(a) +1		9
General Counsel	1			1
Clerk of the Board	11			11
Administration and Finance	46			46
Data and Control Systems	16			16
Chief Engineer	3		-1	2
Advanced Planning	19	(b) -1		18
Design and Construction	76	(c) +2	+2	80
Operations and Maintenance	106	(d) +1	+1	108
Total	286	3	(e) 2	291

(a) 1 Affirmative Action Officer position was added.

(b) 1 Associate Civil Engineer position was transferred from Design & Construction
1 Environmental Specialist position was transferred to Design & Construction
1 Assistant Environmental Specialist position was transferred to Design & Construction

(c) 1 Associate Civil Engineer position was transferred to Advanced Planning
1 Environmental Specialist position was transferred from Advanced Planning
1 Assistant Environmental Specialist position was transferred from Advanced Planning
1 Engineering Aide I position under CETA program was added

(d) 1 Maintenance Worker I position under CETA program was added

(e) 1 Administrative Assistant I/II position is requested to be deleted
1 Associate Civil Engineer position to replace similar position transferred to Advanced Planning
1 Engineering Tech I position to enforce District Ordinances relating to land development.
1 Water Resources Tech I position to assist in enforcing the Well Sealing and Construction Ordinance.

SANTA CLARA VALLEY WATER DISTRICT

COMPARATIVE BUDGET

OUTLAY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
District Labor	$ 4,617,837	5,400,407	6,761,654	8,077,759	8,077,759
Contract Services	12,835,776	9,026,107	18,687,077	20,354,873	20,354,873
Materials and Supplies	382,578	654,781	805,814	1,004,575	1,004,575
Land and Structures	1,716,696	1,600,586	1,590,400	2,525,500	2,525,500
Equipment Additions	263,110	195,420	380,355	565,866	565,866
Subtotal	19,815,997	16,877,301	28,225,300	32,528,573	32,528,573
Debt Service	3,241,708	3,858,542	3,530,056	3,525,367	3,525,367
Inter-Fund Adjustment	4,179,649	3,535,103	326,960	1,036,852	1,036,490
Total Expenditures	27,237,354	24,270,946	32,082,316	37,090,792	37,090,430
Potential Construction	5,325,445	2,837,649	9,052,970	3,295,000	3,295,000
Replacement Fund	876,658	1,140,676	1,055,982	1,874,309	1,874,309
Contingency Appropriation	2,723,000	2,515,161	3,211,206	2,322,533	2,307,512
Total Appropriations	36,162,457	30,764,432	45,402,474	44,582,634	44,567,251
General Reserve	23,399,608	27,777,641	8,388,690	11,412,176	11,578,875
Total Budget	$59,562,065	58,542,073	53,791,164	55,994,810	56,146,126

SANTA CLARA VALLEY WATER DISTRICT

DETAIL OF FINAL BUDGET 1976-77

OUTLAY SUMMARY

	FLOOD CONTROL ZONES						WATER		EQUIP.WORK	
	NORTHWEST	NO.CENTRAL	CENTRAL	EAST-1	EAST-2	SOUTH	UTILITY	DISTRICT	CAP.FUND	TOTAL
District Labor	$ 565,922	974,886	815,901	606,081		244,477	3,902,401	742,432	225,659	8,077,759
Contract Services	1,679,519	4,854,507	1,738,209	883,072		81,704	10,838,261	207,500	72,100	20,354,873
Materials & Supplies	18,700	20,500	12,600	9,800		2,400	834,175	15,000	91,400	1,004,575
Land & Structures	467,850	63,000	1,454,875	329,275		2,500	50,500	157,500		2,525,500
Equipment Additions							207,500	264,656	93,710	565,866
Subtotal	2,731,991	5,912,893	4,021,585	1,828,228		331,082	15,832,837	1,387,088	482,869	32,528,573
Debt Service	254,759	761,780					2,508,828			3,525,367
Inter-Fund Adjust.	49,292	94,567	75,903	457,638	21,495	20,852	243,351	60,045	13,347	1,036,490
Total Expenditures	3,036,042	6,769,240	4,097,488	2,285,866	21,495	351,934	18,585,016	1,447,133	496,216	37,090,430
Construction Reserve	120,000	100,000	1,925,000	50,000			1,100,000			3,295,000
Replacement Reserve							1,122,092		752,217	1,874,309
Contingency Reserve	50,000	50,000	400,000	10,000		2,500	500,000	1,200,000	95,012	2,307,512
Total Appropriated	3,206,042	6,919,240	6,422,488	2,345,866	21,495	354,434	21,307,108	2,647,133	1,343,445	44,567,251
General Reserve	1,444,809	528,997	5,319,365	1,069,802		182,404	623,880	2,409,618		11,578,875
Total Budget	$4,650,851	7,448,237	11,741,853	3,415,668	21,495	536,838	21,930,988	5,056,751	1,343,445	56,146,126

SUMMARY OF ESTIMATED CASH

	Potential[1] Construction	Replacement[2] Fund	Contingency[3] Appropriation	General[4] Reserve	Total
Flood Control Zones					
Northwest	$ 120,000		50,000	1,444,809	1,614,809
North Central	100,000		50,000	528,997	678,997
Central	1,925,000		400,000	5,319,365	7,644,365
East-1	50,000		10,000	1,069,802	1,129,802
South			2,500	182,404	184,904
Total	2,195,000		512,500	8,545,377	11,252,877
Water Utility Enterprise	1,100,000	1,122,092	500,000	623,880	3,345,972
District			1,200,000	2,409,618	3,609,618
Equipment Working Capital Fund		752,217	95,012		847,229
Total	$ 3,295,000	1,874,309	2,307,512	11,578,875	19,055,696

Estimated Cash - June 30, 1977	$ 19,055,696
Cash - June 30, 1976	25,338,069
Estimated Increase (Decrease) During Year	$ (6,282,373)

1) An amount appropriated for outstanding contract commitments, pending interagency agreements, and/or project work which is of uncertain timing. These funds will be required should the actions and decisions necessary to proceed be completed, negotiations consummated, or work progresses faster than anticipated. No expenditure from this fund may be made without specific Board of Directors' approval.

2) An amount appropriated for the sole purpose of providing replacement and/or extraordinary repair of designated assets. Each year contributions are made to this fund so that monies will be available to replace these assets at the end of their useful life.

3) An amount appropriated to meet unforeseen expenditure requirements.

4) An amount to meet cash flow requirements before the proceeds from taxes or other revenue sources become available or for emergency expenditures. This is a true reserve and not an appropriation.

DISTRICT TAX RATES

	1973-74	1974-75	1975-76	Requested 1976-77	Final 1976-77
Flood Control Zones					
Northwest	.181	.178	.153	.153	.153
North Central	.207	.179	.153	.153	.153
Central	.170	.170	.140	.140	.140
East-1	.230	.230	.230	.230	.230
East-2	.180	.180	.174	.139	.139
South	.190	.195	.195	.195	.195
Water Utility Enterprise					
Water Fund	.069	.070	.070	.070	.070
W-3 (land only)	.370	.370	.370	.438	.438
CSCVWCD	.020	.018	.018	.014	.013
W-4	.017	.018	.018	.018	.018
District Administration	.020	.021	.021	.021	.021

STATUS OF BONDED INDEBTEDNESS

	Total Amount Authorized and Sold	Date of Issue	Interest Range	Outstanding as of 6/30/76	1976-77 Redemption Principal	Interest	Total
Northwest Zone							
Series A	$ 2,625,000	1/1/57	3.50 to 5.00%	1,225,000	100,000	41,478	141,478
Series B	2,304,000	7/1/58	1.50 to 5.00%	1,094,000	80,000	33,281	113,281
	4,929,000			2,319,000	180,000	74,759	254,759
North Central Zone							
Series A	4,000,000	1/1/64	.05 to 5.00%	2,980,000	120,000	97,858	217,858
Series B	5,000,000	7/1/65	.10 to 5.00%	3,835,000	145,000	125,683	270,683
Series C	3,750,000	8/1/73	.05 to 7.00%	3,645,000	60,000	213,239	273,239
	12,750,000			10,460,000	325,000	436,780	761,780
Water Utility							
Series A	15,500,000	1/1/64	3.60 to 5.00%	11,680,000	(1)	360,855	360,855
Series B	14,200,000	6/1/66	.05 to 5.00%	12,720,000	(1)	454,097	454,097
Series C	3,500,000	8/1/68	4.60 to 5.00%	3,240,000	(1)	139,387	139,387
Series D	8,850,000	3/1/72	2.50 to 7.00%	8,570,000	80,000	478,000	558,000
	42,050,000			36,210,000	80,000	1,432,339	1,512,339
1972 Refunding	5,815,000	6/1/72	4.75%	4,440,000	570,000	212,850	782,850
SCVWCD							
5th Issue	850,000	7/1/54	1.75 to 4.25%	68,000	34,000	1,616	35,616
6th Issue	600,000	1/1/53	1.75 to 4.25%	48,000	24,000	1,141	25,141
7th Issue	3,000,000	7/1/57	3.25 to 5.00%	840,000	120,000	29,627	149,627
	4,450,000			956,000	178,000	32,384	210,384
Central SCVWCD	72,725	7/1/54	3.00%	9,725	3,000	255	3,255
Combined Total	$70,066,725			54,394,725	1,336,000	2,189,367	3,525,367

(1) Was redeemed by Bank of America Escrow Agreement.

FLOOD CONTROL ZONES

NORTHWEST

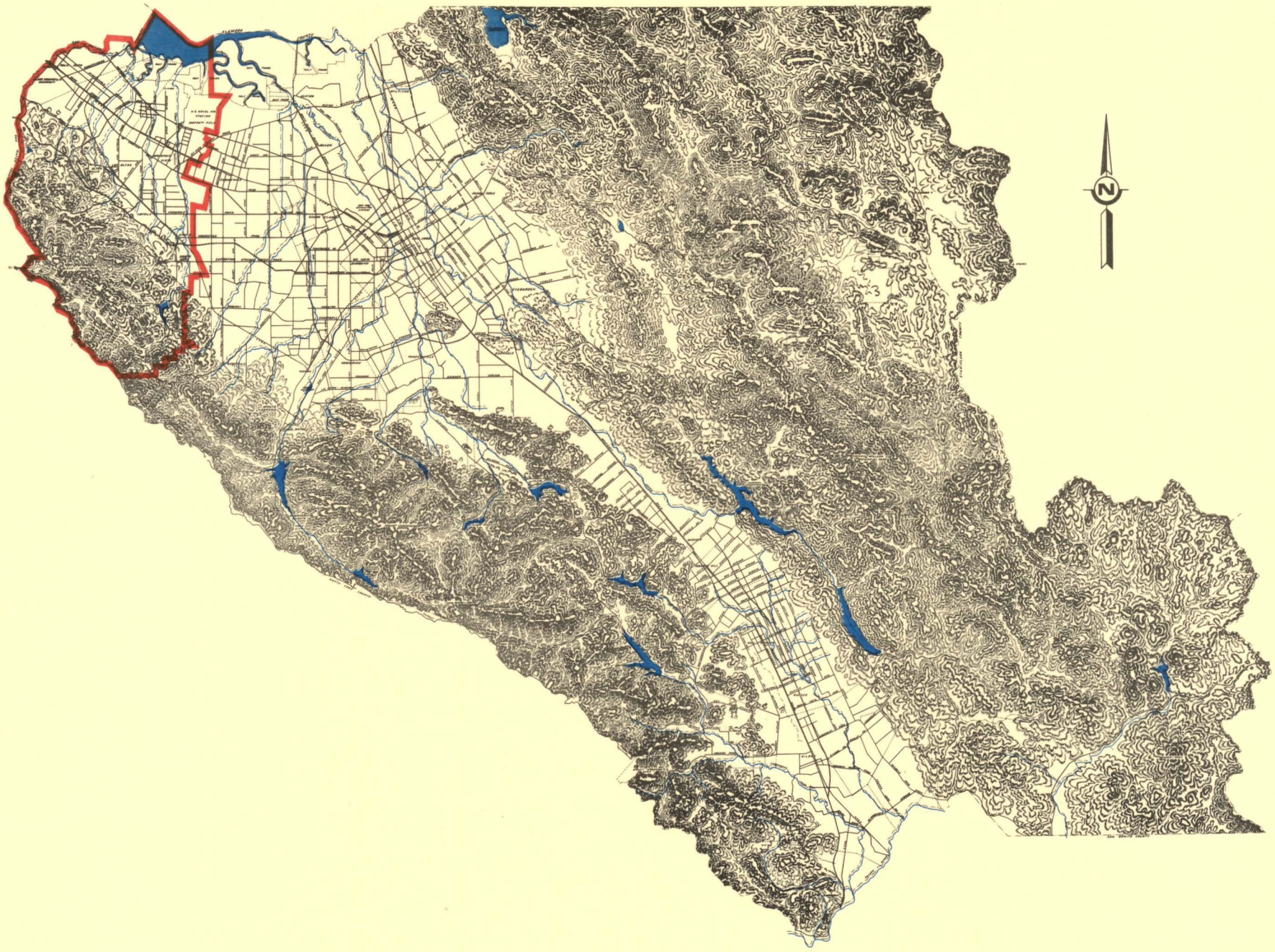
NORTH CENTRAL

CENTRAL

EAST - 1

EAST - 2

SOUTH



NORTHWEST ZONE

REVENUE SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Cash Beginning of Year	$2,745,788	3,112,468	2,539,661	2,715,000	2,694,208
Revenue Sources					
Property Taxes	1,503,472	1,624,923	1,602,584	1,733,085	1,738,863
Interest	206,915	241,080	181,000	193,000	193,000
Agreements and Advances	25,380	97,575	75,518	24,780	24,780
Other	85	53			
Total Revenue Sources	1,735,852	1,963,631	1,859,102	1,950,865	1,956,643
Total Cash Available	$4,481,640	5,076,099	4,398,763	4,665,865	4,650,851

OUTLAY SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Total Program Outlay	$1,122,164	1,961,183	2,866,448	2,781,283	2,781,283
Debt Service	247,008	266,612	260,748	254,759	254,759
Total Expenditures	1,369,172	2,227,795	3,127,196	3,036,042	3,036,042
Reserves and Contingency Approp.	3,112,468	2,848,304	1,271,567	1,629,823	1,614,809
Total	$4,481,640	5,076,099	4,398,763	4,665,865	4,650,851

BACKGROUND INFORMATION

The Northwest Zone is defined by geographic boundaries encompassing the tributaries and watersheds of San Francisquito Creek, Matadero Creek, Barron Creek, Adobe Creek, Stevens Creek and Permanente Creek. Also included in this zone is Stevens Creek Reservoir. The geographic area includes the Cities of Palo Alto, Los Altos, Los Altos Hills and Mountain View and portions of Cupertino and Sunnyvale.

The Northwest Zone is financed by revenue generated from a secured tax, unsecured taxes and interest income obtained through the short-term investment of excess funds. A secured tax rate of $.153 was levied in fiscal year 1975-76. A tax rate of $.153 is anticipated for fiscal year 1976-77.

SUMMARY BY PROGRAM

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Administration	$ 90,055	117,211	177,414	183,030	183,030
Planning	4,629	120,808	171,190	164,727	164,727
Construction	745,567	1,515,102	2,206,787	2,094,847	2,094,847
Maintenance	281,913	208,062	311,057	338,679	338,679
Total	$1,122,164	1,961,183	2,866,448	2,781,283	2,781,283

Administration Program

This program includes Ordinance Administration, Insurance and Administrative Projects. It also provides payment to the Water Utility for flood control benefits derived from the use of Stevens Creek Reservoir. This program shows a slight increase over the preceding year due primarily to the increased cost of insurance.

Planning Program

The funds budgeted in this program are to provide for the continuation of the Bayfront Levees Planning Study, the preparation of hearing plans and environmental reports, predesign work and the coordination of the interest expressed by local residents into the predesign work. The budgeted amount of $164,727 reflects a minor decrease compared to the amount requested for fiscal year 1975-76. Planning projects are:

Bayfront Levees Study $2,620

This study will provide for liaison with a proposed Corps of Engineers study to examine the various alternatives for providing protection to the Baylands for saltwater flooding. 25 percent of the total cost of this project is allocated to each of the Northwest, North Central, Central and East-1 Flood Control Cost Centers.

Adobe Creek $30,205

This project consists of a predesign study to determine which improvements are feasible and in accordance with the interest of local residents. The project is located in the Cities of Palo Alto and Mountain View and affects the reach from 500 feet downstream of Louis Road to El Camino Real. The study will provide design criteria to upgrade the current reach to the one percent design flow capacity.

Barron Creek $41,204

This project provides for mapping, determination of existing flood conditions, and planning reports on the reach of Barron Creek from Louis Road to El Camino Real. The project also provides for meetings with local residents to determine what they believe to be the most feasible project.

Permanente Creek $43,143

This is the third year of a three-year study. The project will continue the evaluation of alternative plans to provide flood control, erosion protection, and completion of an environmental impact report on the present channel between Portland Avenue and Permanente Diversion Channel. The project will investigate in detail existing flood problems, alternative solutions and a construction schedule that would solve the problems.

Stevens Creek $47,555

This project is a finalization of a planning study from the San Francisco Bay to Stevens Creek Dam. An EIR will be completed in 1977-78. Portions of the project are being performed as a joint effort with the City of Mountain View. Meetings are also scheduled with local residents to determine their interest regarding the proposed projects.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $2,094,847 includes the following projects:

Adobe Creek $8,278

This project provides for the installation of landscaping on the reach of Adobe Creek that extends from the Bayshore Freeway to Louis Road.

Barron Creek $808,209

This project consists of the preparation of plans and specifications, right of way acquisition and the start of construction of a 3,000-foot-long box culvert between El Camino Real and Laguna Avenue. Also included is the completion of the landscaping project on the reach that extends from the Bayshore Freeway to Louis Road.

Matadero Creek $294,819

This project consists of preparation of plans and specifications and acquisition of right of way for the construction of several isolated retaining walls along the reach of Matadero Creek from El Camino Real to the abandoned Southern Pacific Railroad right of way.

Permanente Creek $141,978

This project consists of raising and strengthening the levees from the Shoreline Park to Bayshore Freeway. Subsidence and consolidation of the existing levee system has reduced the level of flood protection provided to the surrounding area. The present channel capacity will not convey floods larger than the 25-year flood without overtopping the existing levees.

Stevens Creek $235,099

This project provides for the purchase of properties subject to potential bank failure and for the completion of the installation of an additional culvert at Route 280.

Palo Alto Flood Basin $606,464

This project provides for the continuing construction of levees along Matadero Creek and walls along the Bayshore Freeway frontage road to complete a levee system around the Palo Alto Flood Basin.

Potential Construction $120,000

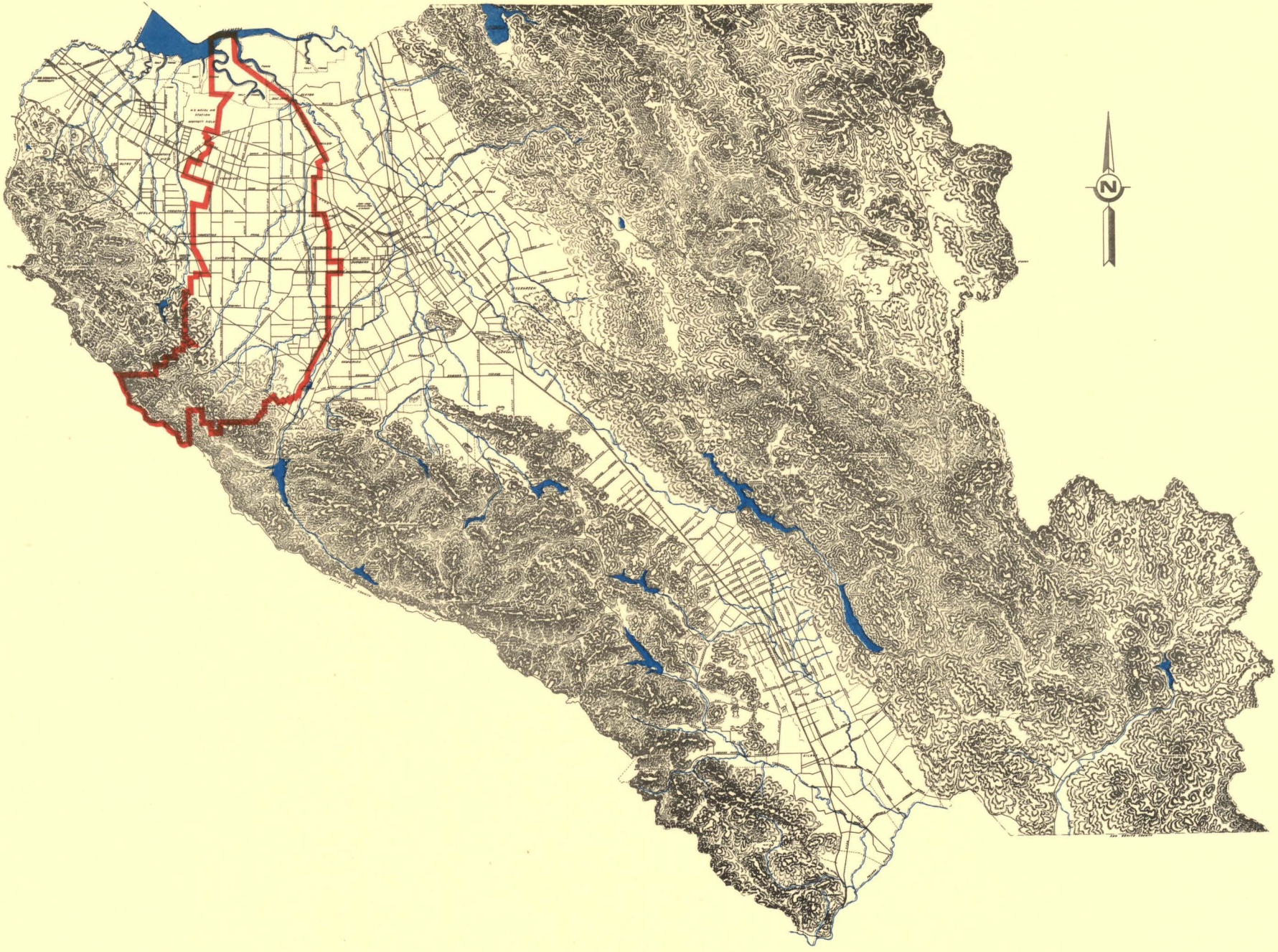
Potential construction appropriations are provided for possible advanced right of way acquisition ($20,000). Another $100,000 is provided for the potential purchase of homes on Stevens Creek.

Maintenance Program

Funds budgeted in this project provide normal maintenance requirements within the Cost Center. In addition, funds to provide for restoration of the existing levees near the Bay along Stevens Creek and Permanente Creek ($98,900) are included in the budgeted amount. The total amount budgeted in this program reflects an 8.9 percent increase compared to the preceding year.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM				Project Totals
	Administration	Planning	Construction	Maintenance	
Ordinance Administration	$ 113,011				113,011
Bayfront Levees Study		2,620			2,620
Insurance	20,679				20,679
Administrative Projects	47,650				47,650
Adobe Creek		30,205	8,278		38,483
Barron Creek		41,204	808,209		849,413
Matadero Creek			294,819		294,819
Permanente Creek		43,143	141,978		185,121
Stevens Creek		47,555	235,099		282,654
Palo Alto Flood Basin			606,464		606,464
Northwest Zone - Maintenance				338,679	338,679
Stevens Creek Dam & Reservoir	1,690				1,690
Total	$ 183,030	164,727	2,094,847	338,679	2,781,283



NORTH CENTRAL ZONE

REVENUE SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Cash Beginning of Year	$3,336,422	7,628,910	4,881,497	4,695,000	4,708,438
Revenue Sources					
Property Taxes	2,208,770	2,179,809	2,148,918	2,355,080	2,420,069
Interest	424,815	607,382	324,000	296,000	296,000
Agreements and Advances	1,250			23,730	23,730
Other	3,752,016	1,777			
Total Revenue Sources	6,386,851	2,788,968	2,472,918	2,674,810	2,739,799
Total Cash Available	$9,723,273	10,417,878	7,354,415	7,369,810	7,448,237

OUTLAY SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Total Program Outlay	$1,603,691	2,606,260	5,110,367	6,007,460	6,007,460
Debt Service	490,672	875,016	758,672	761,780	761,780
Total Expenditures	2,094,363	3,481,276	5,869,039	6,769,240	6,769,240
Reserves and Contingency Approp.	7,628,910	6,936,602	1,485,376	600,570	678,997
Total	$9,723,273	10,417,878	7,354,415	7,369,810	7,448,237

BACKGROUND INFORMATION

The North Central Zone is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe Slough, Sunnyvale West Outfall, Sunnyvale East Outfall, Calabazas Creek, San Tomas Aquino Creek and Saratoga Creek. The geographic area includes the City of Saratoga and portions of the Cities of Sunnyvale, Santa Clara, Campbell, Cupertino, Monte Sereno, Los Gatos and San Jose.

The North Central Zone is financed by revenue generated from a secured tax rate, unsecured taxes and interest income obtained through the short-term investment of excess funds. A secured tax rate of $.153 was levied in fiscal year 1975-76. A rate of $.153 for fiscal year 1976-77 is anticipated.

SUMMARY BY PROGRAM

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Administration	$ 145,582	165,382	221,474	255,784	255,784
Planning	49,575	50,118	150,555	154,037	154,037
Construction	985,514	1,997,118	4,213,467	5,054,249	5,054,249
Maintenance	423,020	393,642	524,871	543,390	543,390
Total	$1,603,691	2,606,260	5,110,367	6,007,460	6,007,460

Administration Program

This program includes Ordinance Administration, Insurance and Administrative Projects. This program reflects a $34,310 increase compared to the amount budgeted in 1975-76. This increase is due primarily to the increased level of support in Ordinance Administration and the Administrative Project areas. Also included in the budgeted amount is an increase of $7,000 to cover increasing costs of insurance within the Cost Center.

Planning Program

The funds budgeted in this program provide for the various planning studies, for the preparation of hearing plans and environmental impact reports and certain special studies. The budgeted amount of $154,037 reflects no significant change over the amounts budgeted for fiscal year 1975-76. Planning projects are:

Bayfront Levees Study $2,620

This study will provide for liaison with a proposed Corps of Engineers study to examine the various alternatives for providing protection to the Baylands for saltwater flooding. 25 percent of the total cost of this project is allocated to each of the Northwest, North Central, Central and East-1 Flood Control Cost Centers.

Calabazas Creek $64,677

This project consists of a study of flood and erosion prevention measures on Calabazas Creek between Lawrence Expressway and Wardell Avenue. The project will result in hearing plans and an environmental impact report.

San Tomas Aquino Creek $26,114

This project consists of a predesign study of flooding and erosion problems on San Tomas Aquino Creek between Pollard Road in Los Gatos and Bainter Avenue in Saratoga. This is the second of a three-year study to determine what improvements are feasible and which alternatives meet with local residents' interest.

Saratoga Creek $32,437

This project is a planning study of alternative solutions to the flooding and erosion problems on Saratoga Creek between Stevens Creek Boulevard in San Jose and Fourth Street in the City of Saratoga. This is the second year of a three-year study.

Wildcat Creek $28,189

This project provides for mapping, determination of flood conditions and preliminary evaluations of alternatives on Wildcat Creek. The project is located in the City of Saratoga and extends from the headwaters to the San Tomas Creek confluence easterly of Quito Road.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvements to the life or value of current physical assets. The budgeted amount of $5,054,249 includes the following projects:

Calabazas Creek $3,307,401

This project includes various channel improvements from Calabazas Basin to Stevens Creek Boulevard. The primary element of the project consists of the completion of construction on the flood protection project from Bayshore Freeway to the Southern Pacific Railroad. Included is the start of construction on the Southern Pacific

Railroad crossing bridge. The second primary element of this project is the construction of a new box culvert at Stevens Creek Boulevard and erosion protection measures between Stevens Creek Boulevard and Route 280. Also included are funds for the preparation of plans and specifications for flood protection measures on the reach from Calabazas Basin to the Bayshore Freeway and replacement of culverts in the reach from El Camino Real to Lawrence Expressway.

Regnart Creek $196,906

This project provides for the completion of plans, specifications and a construction project to reconstruct the channel on the reach from Calabazas Creek upstream to Blaney Avenue. The channel has suffered extensive erosion making maintenance extremely difficult. Continuing erosion will allow the creek to encroach into neighboring properties.

San Tomas Aquino Creek $218,350

This project consists of three sections. The first provides for the completion of an Engineer's Report and an EIR and for preparation for plans and specifications for a levee construction on the reach from Calabazas Basin to the Bayshore Freeway. The second section provides for the District's share of the cost of a bridge to be constructed on Pollard Road. The third section consists of a landscaping project on the reach that extends from Rincon Avenue to McCoy Avenue.

Saratoga Creek $914,491

This project provides for the preparation of plans and specifications, acquisition of right of way and the start of construction on the reach of Saratoga Creek from the San Tomas Creek confluence to Lawrence Expressway. This reach of Saratoga Creek has extensive erosion problems as well as flooding problems. The work to be undertaken is supported by a citizens group and the City of Santa Clara.

Sunnyvale East Outfall $417,101

This project provides for the reconstruction of the levee on the reach from the Calabazas Basin to Caribbean Avenue. These levees are no longer at a sufficient elevation to prevent flooding of the surrounding areas. The project also provides funds for completion of construction of the reach located adjacent to Casa de Amigos Mobile Home Park at Tasman Drive.

Potential Construction $100,000

Potential construction appropriations are provided for possible land acquisition on Calabazas Creek ($50,000). Another $50,000 is provided for possible construction on Saratoga Creek.

Maintenance Program

Funds budgeted in this program provide for normal maintenance requirements within the Cost Center. This project shows an $18,519 or 3.5 percent increase compared to the preceding year. Also included are funds to provide for minimal landscaping at selected District facilities.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM: Administration	Planning	Construction	Maintenance	Project Totals
Ordinance Administration	$ 170,390				170,390
Bayfront Levees Study		2,620			2,620
Insurance	26,958				26,958
Administrative Projects	58,436				58,436
Calabazas Creek		64,677	3,307,401		3,372,078
Regnart Creek			196,906		196,906
San Tomas Aquino Creek		26,114	218,350		244,464
Saratoga Creek		32,437	914,491		946,928
Sunnyvale East Outfall			417,101		417,101
Wildcat Creek		28,189			28,189
North Central Zone - Maintenance				543,390	543,390
Total	$ 255,784	154,037	5,054,249	543,390	6,007,460

CENTRAL ZONE

REVENUE SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Cash Beginning of Year	$7,113,568	7,680,670	9,023,145	8,700,000	8,713,563
Revenue Sources					
Property Taxes	2,034,243	2,232,412	2,146,541	2,346,705	2,436,290
Interest	522,054	699,085	495,000	592,000	592,000
Agreements and Advances	22,418	561			
Other	9,606	329			
Total Revenue Sources	2,588,321	2,932,387	2,641,541	2,938,705	3,028,290
Total Cash Available	$9,701,889	10,613,057	11,664,686	11,638,705	11,741,853

OUTLAY SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Total Program Outlay	$2,021,219	1,394,587	4,032,806	4,097,488	4,097,488
Debt Service					
Total Expenditures	2,021,219	1,394,587	4,032,806	4,097,488	4,097,488
Reserves and Contingency Approp.	7,680,670	9,218,470	7,631,880	7,541,217	7,644,365
Total	$9,701,889	10,613,057	11,664,686	11,638,705	11,741,853

BACKGROUND INFORMATION

The Central Zone is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe River. The major tributaries are Los Gatos Creek, Canoas Creek, Ross Creek, Guadalupe Creek and Alamitos Creek. Also included in this zone are Calero, Almaden, Guadalupe, Lexington and Vasona Reservoirs. The geographic area includes portions of the Cities of Santa Clara, San Jose, Campbell, Monte Sereno and Los Gatos.

The Central Zone is financed by revenue generated from a secured tax rate, unsecured taxes and interest income obtained through short-term investments. A secured tax rate of $.140 was levied in fiscal year 1975-76. A rate of $.140 is anticipated for fiscal year 1976-77.

SUMMARY BY PROGRAM

	Actual 1973-74	Actual 1947-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Administration	$ 153,934	164,927	255,768	243,364	243,364
Planning	27,882	114,079	264,136	173,945	173,945
Construction	1,633,007	921,359	3,245,763	3,368,788	3,368,788
Maintenance	206,396	194,222	267,139	311,391	311,391
Total	$2,021,219	1,394,587	4,032,806	4,097,488	4,097,488

Administration Program

This program includes Ordinance Administration, Insurance and Administrative Projects. It also provides payment to the Water Utility for flood control benefits derived from the use of reservoirs in the zone. A decrease of $12,404 in this program is due to reduced expenditures in Ordinance Administration and Administrative Projects. This is partially offset by increases in the cost of insurance.

Planning Program

Funds budgeted in this program provide for all planning studies, preparation of hearing plans and environmental impact reports. The budgeted amount of $173,945 reflects a 34 percent decrease compared to the amounts requested for fiscal year 1975-76. Planning projects are:

Guadalupe River, Corps of Engineers Study $34,307

This project provides District support for the Corps of Engineers Study on Guadalupe River and adjacent streams. This study will review alternative flood protection projects on the Guadalupe River and Coyote Creek. The total cost of the study of $68,625 is shared equally between the East and Central Zones because of the common floodplain.

Bayfront Levees Study $2,620

This study will provide for liaison with a proposed Corps of Engineers study to examine the various alternatives for providing protection to the Baylands for saltwater flooding. 25 percent of the total cost of this project is allocated to each of the Northwest, North Central, Central and East-1 Flood Control Cost Centers.

Los Gatos Creek - Lexington Reservoir Operation $7,428

This project will investigate utilizing Lexington Reservoir in the Los Gatos Creek Drainage Basin for multiple purposes. The purposes to be investigated are water supply, recreation and flood damage mitigation.

Guadalupe River $33,006

This is the first year of a three-year planning study on the reach of Guadalupe River that extends from 2,000 feet downstream of Hillsdale Avenue to Blossom Hill Road. The project will provide for mapping, determination of flood conditions and preliminary evaluation of alternative solutions to the problems identified.

Los Gatos Creek $96,584

This project provides for a predesign study and an environmental impact report on those reaches of Los Gatos Creek from the Guadalupe River confluence to Lexington Dam which do not have completed flood prevention projects.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $3,368,788 includes the following projects:

Alamitos Creek $1,673,317

This project provides for the design and construction of flood protection measures on Alamitos Creek between Golf Creek and Greystone Creek. The project also provides funds for right of way acquisition for the reach from the Guadalupe-Alamitos Creek confluence to Calero Creek.

Canoas Creek $15,759

This project will complete construction of a concrete-lined channel bottom and bank protection works from Almaden Expressway to Nightingale Drive. Funds are also included for landscaping design at the street crossing.

Calero Creek $3,550

This project provides for advanced right of way acquisition on the reach of Calero Creek which extends from the confluence with Alamitos Creek just upstream of Shearwater Drive to McKean Road.

Guadalupe River $284,430

This project provides for completion of two construction projects on the Guadalupe River: flood protection measures on the reach between Blossom Hill Road and the confluence with Alamitos Creek, and the installation of landscaping on the reach that extends from Ironwood Drive to Old Almaden Road.

Los Gatos Creek $1,036,554

This project will provide for the construction of a 48-inch pipeline from Kirk Dam to Vasona Dam. The pipeline will be constructed in advance of flood control measures in order to coordinate the construction of an emergency water supply system at the Vasona Pump Station. This project also provides for contract administration, construction staking and contingencies on the construction of a bank stabilization measure on Los Gatos Creek downstream of Leigh Avenue.

Ross Creek $25,000

This project will provide for the construction of a culvert at Shannon Road. The cost of this project will be shared with the Town of Los Gatos.

Guadalupe Creek $326,628

This project provides funds to complete the acquisition of right of way along the reach

of Guadalupe Creek from Meridian Avenue to Camden Avenue in cooperation with the City of San Jose. Final construction of the channel in the vicinity of Meridian Avenue will be undertaken.

Santa Teresa Creek $3,550

This project consists of advanced right of way acquisition on the reach of Santa Teresa Creek located between the Calero Creek, Santa Teresa Creek confluence 900 feet north of Harry Road to the foothills south of San Vincente Avenue.

Potential Construction $1,925,000

Potential construction appropriations are provided for land acquisition on Calero Creek ($100,000) and Santa Teresa Creek ($25,000) and for participation with the City of San Jose Redevelopment Agency for work on the Park of the Guadalupe project ($1,800,000).

Maintenance Program

Funds budgeted in this program provide for normal maintenance requirements within the Cost Center. The budgeted amount shows an increase of $44,252 or 16.5 percent compared to the previous year. No special maintenance projects are anticipated. However, additional effort is required to continue the maintenance of recently installed landscape installations and recently completed construction projects.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM Administration	Planning	Construction	Maintenance	Project Totals
Guadalupe River, C. of E. Study	$	34,307			34,307
Ordinance Administration	171,993				171,993
Bayfront Levees Study		2,620			2,620
Los Gatos Cr.-Lexington Res.Oper.		7,428			7,428
Insurance	15,033				15,033
Administrative Projects	47,612				47,612
Alamitos Creek			1,673,317		1,673,317
Canoas Creek			15,759		15,759
Calero Creek			3,550		3,550
Guadalupe River		33,006	284,430		317,436
Los Gatos Creek		96,584	1,036,554		1,133,138
Ross Creek			25,000		25,000
Guadalupe Creek			326,628		326,628
Santa Teresa Creek			3,550		3,550
Central Zone - Maintenance				311,391	311,391
Almaden Dam & Reservoir	1,693				1,693
Calero Dam & Reservoir	1,973				1,973
Guadalupe Dam & Reservoir	1,838				1,838
Lexington Dam & Reservoir	1,975				1,975
Vasona Dam & Reservoir	1,247				1,247
Total	$ 243,364	173,945	3,368,788	311,391	4,097,488

EAST 1 ZONE

REVENUE SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Cash Beginning of Year	$1,090,074	1,334,174	1,706,329	737,000	738,245
Revenue Sources					
Property Taxes	1,324,621	1,491,530	1,691,247	1,865,737	1,846,656
Interest	76,810	113,329	77,000	136,000	136,000
Agreements and Advances	37,149	14,296	49,496	694,767	694,767
Other	595	475			
Total Revenue Sources	1,439,175	1,619,630	1,817,743	2,696,504	2,677,423
Total Cash Available	$2,529,249	2,953,804	3,524,072	3,433,504	3,415,668

OUTLAY SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Total Program Outlay	$1,195,075	1,039,886	3,214,838	2,285,866	2,285,866
Debt Service					
Total Expenditures	1,195,075	1,039,886	3,214,838	2,285,866	2,285,866
Reserves and Contingency Approp.	1,334,174	1,913,918	309,234	1,147,638	1,129,802
Total	$2,529,249	2,953,804	3,524,072	3,433,504	3,415,668

BACKGROUND INFORMATION

The East Zone is defined by geographic boundaries encompassing the tributaries and watersheds of Coyote Creek. The major tributaries are Lower Penitencia Creek, Scott Creek, Berryessa Creek, Upper Penitencia Creek, Silver Creek, Thompson Creek, Fisher Creek, and Packwood Creek. Also included in this zone are Anderson and Coyote Reservoirs. The geographic area includes the City of Milpitas and portions of the Cities of San Jose and Morgan Hill.

The East Zone is financed by revenue generated from a secured tax rate, unsecured taxes and interest income obtained through short-term investments. A secured tax rate of $.230 was levied in fiscal year 1975-76. A rate of $.230 is anticipated for fiscal year 1976-77.

SUMMARY BY PROGRAM

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Administration	$ 599,765	168,179	434,247	738,416	738,416
Planning	214,881	104,319	146,915	144,671	144,671
Construction	100,626	515,934	2,294,150	1,046,210	1,046,210
Maintenance	279,803	251,454	339,526	356,569	356,569
Total	$1,195,075	1,039,886	3,214,838	2,285,866	2,285,866

Administration Program

This program includes Ordinance Administration, Insurance, Administrative, and Loans Payable Projects. It also provides payment to the Water Utility for flood control benefits derived from the use of reservoirs within the zone. This program shows a substantial increase of $304,169 in budgeted amounts from the preceding year. The increase is due to the Loans Payable Project which has been budgeted for $492,000, an increase of $392,000 compared to the preceding year. Funds are budgeted to repay loans to the City of San Jose ($100,000) and the District Cost Center ($392,000). Also included is a $4,000 increase in the cost of insurance.

Planning Program

Funds budgeted in this program provide for all planning studies, preparation of hearing plans and environmental impact reports. The budgeted amount of $144,671 reflects a slight decrease compared to the amount requested for fiscal year 1975-76. Planning projects are:

Guadalupe River, Corps of Engineers Study $34,318

This project provides District support for the Corps of Engineers Study of the Guadalupe River and Adjacent Streams. The study will review alternative flood protection projects on the Guadalupe River and Coyote Creek. The total cost of the study is $68,625. This will be shared equally between the East Zone and the Central Zone because of the common floodplain.

Project Financing Study $13,819

This project provides funds to study the best means of financing the needed flood protection projects in the East Zone. Analysis will include bond programs, loans and other alternatives. Additional financing is required to accelerate construction of flood protection work on Silver and Berryessa Creeks as well as other East Zone high priority projects.

Bayfront Levees Study $2,636

This study will provide for liaison with a proposed Corps of Engineers Study to examine the various alternatives for providing protection to the Baylands for saltwater flooding. 25 percent of the total cost of this project is allocated to each of the Northwest, North Central, Central and East-1 Flood Control Cost Centers.

Penitencia Creek - Upper $74,897

This project provides for the second year of a two-year project to develop a planning report and an environmental impact report on Upper Penitencia Creek between its confluence with Coyote Creek near Berryessa Road and the foothills.

Silver Creek - Upper $4,850

This project provides for the review and evaluation of proposals for Lake Cunningham. The project is located between Cunningham Avenue and the Thompson Creek confluence.

Thompson Creek $14,151

This project provides for completion of a planning report and an environmental impact report on the reach of Thompson Creek between the confluence with Silver Creek and about 2,000 feet south of Aborn Road.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $1,046,210 includes the following projects:

Berryessa Creek $110,858

This project provides for contract administration on the construction of the flood protection facilities on the reach from the confluence with Lower Penitencia Creek to Calaveras Boulevard. This project is located in the City of Milpitas.

Silver Creek - Lower $777,035

This project provides for reconstruction or modification of bridges at Wooster Avenue, Bayshore Freeway, King-McKee Roads and Western Pacific Railroad. In addition the design and right of way acquisition for future channel work is also budgeted. This work will be performed on the reach of Silver Creek between Coyote Creek and Alum Rock Avenue. This project also provides for contract administration on the construction of interim channel improvement between Capitol Expressway and Cunningham Avenue. This work includes the replacement of bridges at Murtha Drive, Ocala Avenue and Cunningham Avenue.

Penitencia Creek - Upper $53,000

This project is to provide payments for the Shattuck and Tramontana parcels reserved in early 1974 under the District's floodplain dedication policy. These parcels are located in the reach between White Road and Capitol Avenue.

Norwood Creek $42,767

This project is to provide District support for developer-funded construction and improvements of Norwood Creek.

Thompson Creek $62,550

This project provides for the acquisition of a 2.5-acre parcel of land. Approximately 2/3 of the land is required for future Thompson Creek modified floodplain improvements. The remainder of the land cannot be developed as a separate parcel.

Potential Construction $50,000

Potential construction appropriations are provided for possible advanced right of way acquisition within the zone ($50,000).

Maintenance Program

Funds budgeted in this program provide the normal maintenance requirements within the Cost Center. The budgeted amount shows a $17,043 or 5 percent increase compared to the preceding year. The increase is due primarily to inflation. No special maintenance projects are anticipated.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM				Project Totals
	Administration	Planning	Construction	Maintenance	
Guadalupe River C. of E. Study	$	34,318			34,318
Ordinance Administration	171,520				171,520
Project Financing Study		13,819			13,819
Bayfront Levees Study		2,636			2,636
Insurance	17,545				17,545
Administrative Projects	52,190				52,190
Berryessa Creek			110,858		110,858
Silver Creek-Lower			777,035		777,035
Penitencia Creek-Upper		74,897	53,000		127,897
Silver Creek-Upper		4,850			4,850
Norwood Creek (Zone E-3)			42,767		42,767
Thompson Creek		14,151	62,550		76,701
East Zone - Maintenance				356,569	356,569
Anderson Dam & Reservoir	3,562				3,562
Coyote Dam & Reservoir	1,599				1,599
Loans Payable	492,000				492,000
Total	$ 738,416	144,671	1,046,210	356,569	2,285,866

EAST 2 ZONE

REVENUE SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Cash Beginning of Year	$ 2,695	305	693	1,355	501
Revenue Sources					
Property Taxes	20,503	22,712	23,662	20,402	20,894
Interest	107	175		100	100
Agreements and Advances					
Other					
Total Revenue Sources	20,610	22,887	23,662	20,502	20,994
Total Cash Available	$ 23,305	23,192	24,355	21,857	21,495

OUTLAY SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Total Program Outlay	$ 23,000	22,499	24,355	21,857	21,495
Debt Service					
Total Expenditures	23,000	22,499	24,355	21,857	21,495
Reserves and Contingency Approp.	305	693			
Total	$ 23,305	23,192	24,355	21,857	21,495

BACKGROUND INFORMATION

The East-2 Zone is bordered on the northwest by Alum Rock Avenue, on the southwest by White Road and on the southeast by Story Road and extends on the northeast to Mount Hamilton Road. It encompasses a portion of the North Babb Creek drainage area. This zone was established to provide a taxation area to repay a District Cost Center loan used to construct special drainage facilities. The existing loan will be repayed in fiscal year 1976-77. The total revenue generated within this zone will be applied to the repayment of the loan balance. A tax rate of $.174 was levied in fiscal year 1975-76. A tax rate of $.139 is anticipated for fiscal year 1976-77.

SOUTH ZONE

REVENUE SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Cash Beginning of Year	$ 78,516	118,333	144,046	180,000	182,237
Revenue Sources					
Property Taxes	225,198	249,742	290,851	323,109	344,601
Interest	9,192	9,883	5,000	10,000	10,000
Agreements and Advances	12,693	21,346			
Other	450,369	6,675			
Total Revenue Sources	697,452	287,646	295,851	333,109	354,601
Total Cash Available	$ 775,968	405,979	439,897	513,109	536,838

OUTLAY SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Total Program Outlay	$ 657,635	259,353	305,134	351,934	351,934
Debt Service					
Total Expenditures	657,635	259,353	305,134	351,934	351,934
Reserves and Contingency Approp.	118,333	146,626	134,763	161,175	184,904
Total	$ 775,968	405,979	439,897	513,109	536,838

BACKGROUND INFORMATION

The South Zone is defined by geographic boundaries encompassing the tributaries and watersheds of the Pajaro River in Santa Clara County. The major tributaries are Little Llagas Creek, Llagas Creek, West Branch of the Llagas Creek, Uvas-Carnadero Creek, Pescadero Creek, and Pacheco Creek. The zone includes the City of Gilroy and portions of the Cities of San Jose and Morgan Hill.

The South Zone is financed by revenue generated from a secured tax rate, unsecured taxes and interest income obtained through the short-term investments of excess funds and from advances from the District Fund. The outstanding loan balance as of the end of fiscal year 1976-77 is estimated to be $220,985. A secured tax rate of $.195 was levied in fiscal year 1975-76. A tax rate of $.195 for fiscal year 1976-77 is anticipated.

SUMMARY BY PROGRAM

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Administration	$ 113,536	100,622	135,451	168,908	168,908
Planning	13,212	11,394	21,773	59,036	59,036
Construction	482,688	109,454	59,692	19,183	19,183
Maintenance	48,199	37,883	88,218	104,807	104,807
Total	$ 657,635	259,353	305,134	351,934	351,934

Administration Program

This program includes Ordinance Administration, Insurance and Administrative Projects. The budgeted amount of $168,908 shows a $33,457 increase over the preceding year. The increase is due primarily to increased effort in the Ordinance Administration Project. The increased effort is necessary to provide for the enforcement and application of Ordinance 74-1 and provides District labor necessary to assist other agencies in land use decisions and evaluation of flooding effects within the South Zone.

Planning Program

Funds budgeted in this program provide for various planning studies, preparation of hearing plans and environmental impact reports. The budgeted amount of $59,036 reflects a $37,263 increase over the preceding year. The planning projects are:

Pajaro River, Corps of Engineers Study $25,745

This project provides for liaison with the Corps of Engineers in their study of the Upper Pajaro River Basin, particularly the Uvas-Carnadero Creek area.

Public Law 566 (Upper) $15,149

This project provides for nonreimbursable funds required to coordinate work with State, Federal and local agencies relating to the planning of environmentally acceptable projects on the Upper Llagas Creek.

Public Law 566 (Lower) $18,142

This project is to provide nonreimbursable funds for coordination work with State, Federal and local agencies relative to planning of environmentally acceptable projects on the Lower Llagas Creek.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $19,183 is for the following project:

Public Law 566 (Upper) $19,183

This project provides for coordination with the State, Federal and local agencies relative to construction of fire prevention measures on the Upper Llagas Creek watershed. This is a cost-sharing project between the State, Federal and local agencies for construction of fire prevention measures. Work will be completed in 1976-77.

Maintenance Program

Funds budgeted in this program provide for normal maintenance requirements within the cost center. No special maintenance projects are anticipated. The project shows a $16,589 or 19 percent increase in maintenance cost compared to the previous year. The budgeted amount reflects the increased maintenance requirements within this cost center.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM				Project Totals
	Administration	Planning	Construction	Maintenance	
Ordinance Administration	$ 129,741				129,741
Pajaro River C. of E. Study		25,745			25,745
Insurance	11,905				11,905
Administrative Projects	27,262				27,262
Public Law 566 (Upper)		15,149	19,183		34,332
Public Law 566 (Lower)		18,142			18,142
South Zone - Maintenance				104,807	104,807
Total	$ 168,908	59,036	19,183	104,807	351,934

WATER UTILITY

SOURCE OF SUPPLY

RAW WATER TRANSMISSION & DISTRIBUTION

WATER TREATMENT

TREATED WATER TRANSMISSION & DISTRIBUTION

ADMINISTRATION AND GENERAL

BACKGROUND INFORMATION

Accounting for the Water Utility is accomplished on an enterprise fund basis. Revenue is used to provide commercial-type services to the public which are not usually available through private enterprise.

Water Utility Enterprise activities are partially financed by a Countywide ad valorem tax. This tax is levied to pay for recreational benefits derived from District reservoirs and to pay for the capital cost of water import facilities. This is deemed commensurate to the general benefits derived from having a supplemental supply of water available to the District. A portion of this tax is refunded by the District directly to the Cities of Palo Alto, Mountain View, Sunnyvale, Milpitas, Santa Clara, San Jose, and to Stanford University and the Purissima Hills Water District because these purchasers import water from the City and County of San Francisco's Hetch Hetchy water supply.

The major sources of water supply income are charges levied on all groundwater extracted within Zone W-2 of the District and from the sale of treated water. An estimated 19,000 acre-feet of groundwater for agricultural use and 131,000 acre-feet of groundwater for nonagricultural use is expected to be extracted from the groundwater basin in 1976-77. In addition, 53,018 acre-feet of contract treated water and 13,000 acre-feet of non-contract treated water is anticipated to be sold to District water supply contractors. Other sources of revenue will result from the levying of ad valorem taxes in Zones W-3 and W-4 and from the sale of approximately 5,000 acre-feet of surface-delivered untreated water in Zone W-2. An estimated additional 800 acre-feet of untreated surface delivered water will be used in Zone W-3.

The following is a brief description of the various water zones:

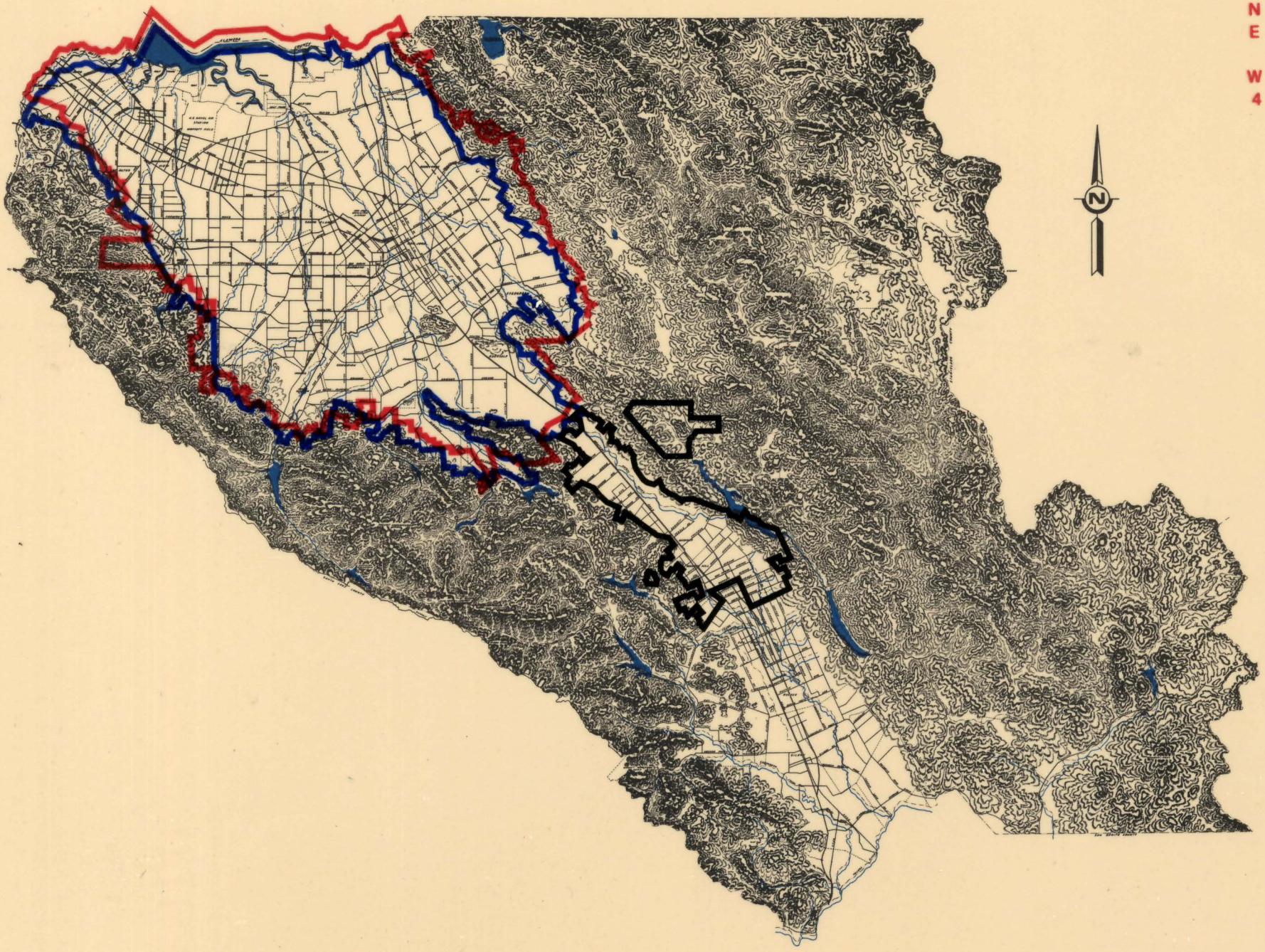
Zone W-2 This zone encompasses the Santa Clara Valley Groundwater Basin north of Metcalf Road and includes those groundwater producing facilities that benefit from the recharge of the basin with local and imported water. Here, a charge is levied for groundwater extraction.

Zone W-3 This zone encompasses the land of water consumers whose source of water is derived from the Coyote and Llagas Groundwater Basins in the area of Metcalf Road on the north to just south of Morgan Hill. Here, financing is through a property tax on land only. Zones W-3.1, 3.2, 3.3, and 3.5 are local areas within the W-3 Zone in which groundwater extraction charges are levied.

Zone W-4 This zone contains all of Zone W-2 as well as the lands of water consumers outside Zone W-2 that use or otherwise benefit from locally conserved water and from the importation and distribution of water from the South Bay Aqueduct. Here, a property tax is levied to pay for the cost of water used to recover the accumulated overdraft, control land surface subsidence and sustain the emergency supply of water.

Due to the requirements of the uniform accounting practices adopted by the State, it is necessary to divide expenditures from the Water Utility Enterprise into various categories which constitute the cost centers. These cost centers are Source of Supply, Raw Water Transmission and Distribution, Water Treatment, Treated Water Transmission and Distribution, and Administration and General. Amounts budgeted within each cost center are shown in individual sections.

Potential construction appropriations of $1,100,000 are budgeted in the Source of Supply Cost Center and Treated Water Transmission and Distribution Cost Center. This appropriation provides funds which may be used to purchase parcels of land at Anderson Reservoir which are undevelopable due to landslide activity ($500,000) and for design and land acquisition for the West Reservoir ($600,000).


ZONE W4
ZONE W2
ZONE W3
WATER UTILITY ZONES

REVENUE SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Cash Beginning of Year	$14,217,767	9,514,593	8,883,065	4,428,497	4,388,777
Revenue Sources					
Property Taxes	2,978,800	3,301,149	3,733,607	4,194,488	4,250,463
Interest	882,929	843,574	497,000	650,000	650,000
Agreements and Advances			5,000	3,501,750	3,501,750
Groundwater Charges	4,243,171	3,870,410	4,016,000	4,408,900	4,408,900
Surface Water Charges	95,236	92,100	93,370	120,650	120,650
Treated Water Sales	2,702,938	3,722,108	3,910,500	4,575,448	4,575,448
Coyote Cabins	17,828	8,545			
Miscellaneous	196,046	65,110	35,000	35,000	35,000
Total Revenue	11,116,948	11,902,996	12,290,477	17,486,236	17,542,211
Total	$25,334,715	21,417,589	21,173,542	21,914,733	21,930,988

OUTLAY SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Total Program Outlay	$13,314,648	9,151,860	11,410,508	16,076,188	16,076,188
Debt Service	2,505,474	2,498,345	2,510,636	2,508,828	2,508,828
Total Expenditures	15,820,122	11,650,205	13,921,144	18,585,016	18,585,016
Reserves and Contingency Approp.	9,514,593	9,767,384	7,252,398	3,329,717	3,345,972
Total	$25,334,715	21,417,589	21,173,542	21,914,733	21,930,988

COST CENTER EXPENDITURE SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Source of Supply	$ 4,009,254	4,297,035	5,468,578	5,510,791	5,510,791
Raw Water T & D	1,619,927	1,460,451	2,487,728	2,562,579	2,562,579
Water Treatment	4,419,159	2,438,066	2,058,046	2,315,930	2,315,930
Treated Water T & D	2,793,790	259,744	574,875	4,688,707	4,688,707
Administration and General	472,518	696,564	821,281	998,181	998,181
Total	$13,314,648	9,151,860	11,410,508	16,076,188	16,076,188

PROGRAM EXPENDITURE SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Administration	$ 780,384	921,506	1,085,890	1,299,509	1,299,509
Planning	309,903	442,824	708,673	775,235	775,235
Construction	6,698,938	1,725,159	2,495,968	6,011,731	6,011,731
Maintenance	935,594	984,484	1,392,572	1,598,146	1,598,146
Operations	4,589,829	5,077,887	5,727,405	6,391,567	6,391,567
Total	$13,314,648	9,151,860	11,410,508	16,076,188	16,076,188

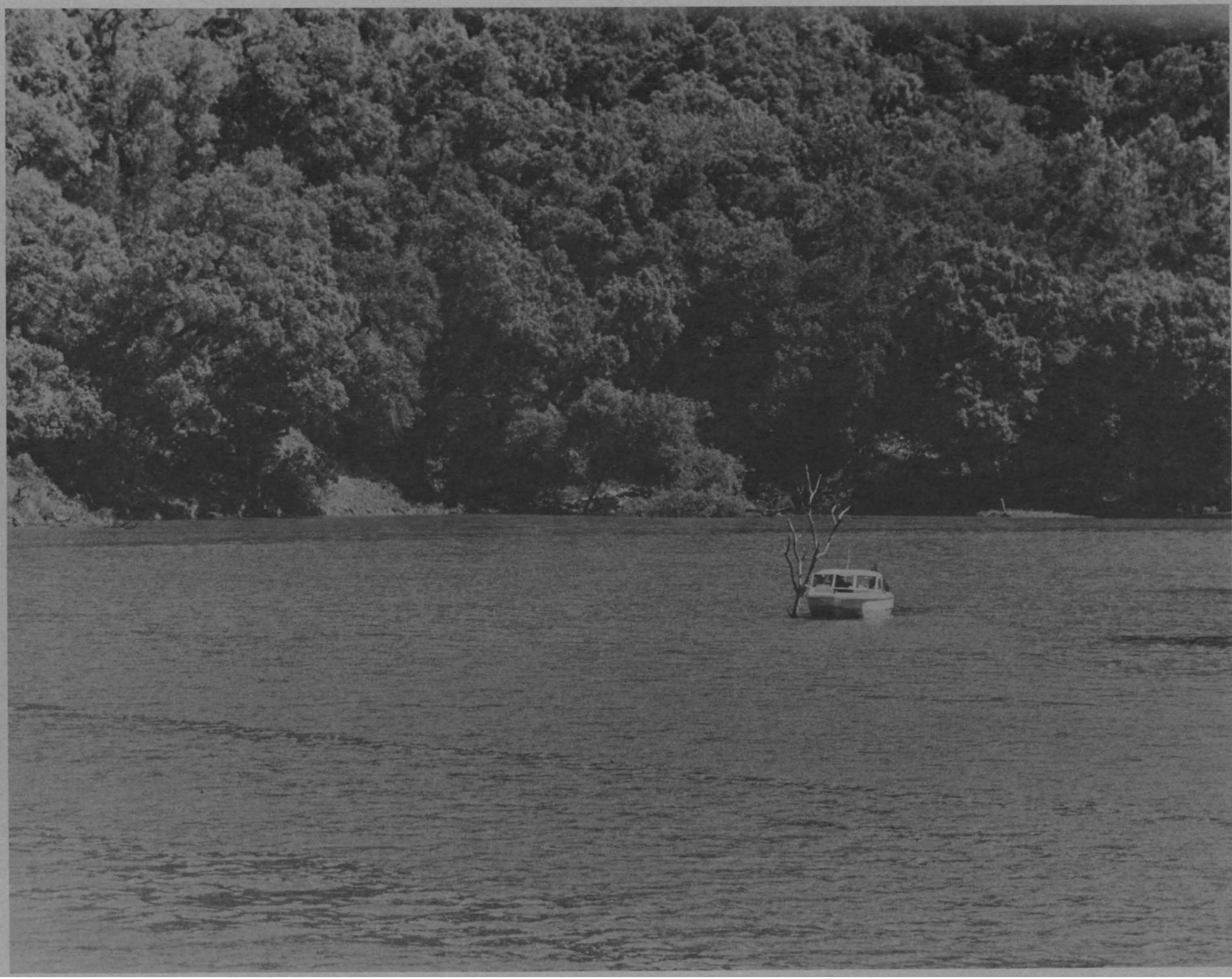
WATER RATE SUMMARY

	1973-74	1974-75	1975-76	1976-77
Groundwater				
Agricultural	$ 8.00	8.00	8.00	8.50
Nonagricultural	30.00	30.00	30.00	34.00
Treated Water				
Contract (Scheduled)	65.00	65.00	65.00	75.00
Non-Contract	38.00	38.00	41.00	45.00
Untreated Water (Surface & Contract)				
Agricultural	8.00	8.00	8.00	8.50
Nonagricultural	30.00	30.00	30.00	34.00
Water Master	4.00	4.00	4.00	5.50
Power (Evergreen System)	5.25	5.75	5.75	8.50
Minimum Charge	20.00	20.00	20.00	26.00
W-3 (Water Master Only)	4.00	4.00	4.00	5.50

The above rates, except for "Minimum Charge", are related to acre-feet of water.

WATER UTILITY TAX REVENUE SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Water Fund					
Secured	$2,283,008	2,511,817	2,831,566	3,182,576	3,217,235
Unsecured	42,598	47,091	63,759	60,000	64,387
Delinquent	21,117	23,944	30,000	35,000	35,000
Total	2,346,723	2,582,852	2,925,325	3,277,576	3,316,622
Zone W-3					
Secured	81,039	87,506	92,887	114,357	123,074
Unsecured	5	7	15	-0-	80
Delinquent	1,732	1,721	4,000	7,000	7,000
Total	82,776	89,234	96,902	121,357	130,154
Zone W-4					
Secured	530,204	609,043	686,708	771,999	779,476
Unsecured	10,166	11,307	15,551	15,000	15,570
Delinquent	5,529	5,389	6,000	6,000	6,000
Total	545,899	625,739	708,259	792,999	801,046
CSCVWCD					
Secured	3,247	3,054	3,121	2,556	2,638
Unsecured	82	203	-0-	-0-	3
Delinquent	73	67	-0-	-0-	
Total	3,402	3,324	3,121	2,556	2,641
TOTAL ALL FUNDS	$2,978,800	3,301,149	3,733,607	4,194,488	4,250,463



SOURCE OF SUPPLY

BACKGROUND INFORMATION

The Source of Supply Cost Center is one of five cost centers which make up the Water Utility Enterprise. This Cost Center contains all expenditures relating to obtaining and producing a supply of water including all conservation and importation costs.

SUMMARY BY PROGRAM

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Administration	$ 529,588	681,793	618,092	767,793	767,793
Planning	99,660	84,086	239,149	243,775	243,775
Construction	1,235	184,010	607,645	319,302	319,302
Maintenance	48,595	127,450	272,658	250,717	250,717
Operations	3,330,176	3,219,696	3,731,034	3,929,204	3,929,204
Total	$4,009,254	4,297,035	5,468,578	5,510,791	5,510,791

Administration Program

This program includes Ordinance Administration, Replacement Fund, Insurance, Administrative Projects, In-County Credit, Water Rights, State Water Project, Federal Water Project, Hetch Hetchy Water Project and the Water Conservation Project. The budgeted amounts for fiscal year 1976-77 reflect an increase of $149,701 compared to the preceding year. The increase is due to substantial increases in Ordinance Administration required to administer District's Well Sealing and Construction Standards Ordinance 75-6, Administrative Projects, and in the Federal Water Project to plan and coordinate the District's participation in the distribution system for the San Felipe Project.

Planning Program

Funds budgeted in this program provide for various planning activities, preparation of hearing plans, and environmental impact reports. Planning projects are:

Effects of Urbanization Study $22,613

This project is in support of the fifth year of a five-year study being conducted by the U. S. Geological Survey. The study will provide information on the effects of urbanization on water quality and quantity produced from a watershed. This information

will be used in the analysis and evaluation of grading ordinances, channel designs, and water supplies as they relate to increased urbanization.

Saltwater Intrusion Study $51,686

This project is to determine the severity of saltwater intrusion from San Francisco Bay into the Santa Clara Valley Groundwater Basin and a review of alternative methods to reduce or eliminate this intrusion.

Groundwater Tracer Study $5,213

This project provides for attempts to trace the movement of imported water in the vicinity of Penitencia Creek using isotopes of oxygen and hydrogen. The purpose of the project is to provide an adequate means of evaluating the District's groundwater recharge program.

Emergency Water Supply - USGS Cooperative Study $7,094

This project provides for a cooperative study with the USGS of the emergency water supply potentials for Santa Clara County.

Dams and Reservoirs - General $11,613

This project provides for foundation drilling and investigation at the Los Osos Dam site in cooperation with the Corps of Engineers study of the Guadalupe and adjacent streams.

Gilroy Agricultural Reuse $8,978

This project provides for a pilot study to test the quality of use for reclaimed water for agricultural purposes in the Gilroy area.

Reservoir Landslide Investigation $47,868

This project is a continuation of the monitoring and study of potential landslides at District reservoirs. The project includes the possible installation of additional instrumentation, consulting services, evaluation and risk analysis to determine the most potentially dangerous landslide areas, and to take the necessary remedial action.

Coyote Dam and Reservoir Landslide Investigation $69,332

This project provides for geological mapping, drilling, sampling, testing, analysis and cost estimates for options to repair the existing landslide on the right abutment above the spillway of Coyote Dam.

Lexington Dam and Reservoir $19,378

This project provides for a comprehensive limnological investigation of Lexington Reservoir and its surrounding areas. The purpose is to establish baseline water quality and make recommendations for a system of regular monitoring for early detection of potential water quality degradation.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement of the life or value of current physical assets. The budgeted amount of $319,302 includes the following projects:

Water Conservation Project $2,500

This project provides for the development and implementation of a program to increase District water supplies through more prudent use of existing sources.

SCVWD Water Reclamation Facility $284,016

This project provides for completion of construction of the District Water Reclamation Facility, well system, and appurtenances. Funds are budgeted for contract administration, construction staking, and contract contingencies. The budgeted amount also includes funding for system configuration and development of the operating control system.

Anderson Dam and Reservoir $16,393

This project provides for engineering services to monument property that may be acquired by the District adjacent to Anderson Reservoir.

Lexington Dam and Reservoir $16,393

This project provides for engineering services to retrace and remonument the District boundary on the westerly and southerly sides of the reservoir. This work is necessary to assure that all activities be contained within District property and to provide for protection of the environmental integrity of the reservoir from encroachment and pollution by the adjoining owners.

Potential Construction $500,000

Potential construction funds are provided for acquisition of landslide areas around reservoirs ($500,000).

Maintenance Program

Funds budgeted in this program show a $21,941 or an 8 percent decrease compared to the preceding year. Funds budgeted provide for normal maintenance requirements within the cost center. A special maintenance project was initiated in 1975-76 to determine the dynamic seismic safety of Anderson, Coyote, Lexington and Vasona Dams. Funds are budgeted in fiscal year 1976-77 to provide for any necessary repair work and to provide for further dynamic analysis. In addition, a special maintenance project is included this fiscal year to provide for design and replacement of a portion of the outlet vault of the Guadalupe Dam.

Operations Program

The funds budgeted in this program reflect a $198,170 or a 5 percent increase compared to the preceding year. The funds provide for normal inspection and operation of the District's dams and reservoirs and for the purchase of the necessary water from the State Water Project. Funds are included for the purchase of 88,000 acre-feet of scheduled water and 12,000 acre-feet of nonscheduled water. The program also contains funds in the amount of $70,409 to operate the weather modification program. Funds are also budgeted to provide for the operation of the Santa Clara Valley Water District Water Reclamation Facility at Palo Alto. The budgeted funds provide for the start up of the plant, for liaison with the research efforts of Stanford University in Palo Alto and for operation and evaluation of the injection/extraction well system.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM Administration	Planning	Construction	Maintenance	Operations	Project Totals
Ordinance Administration	$ 102,332					102,332
Replacement Fund	2,822					2,822
Effect of Urbanization Study		22,613				22,613
Saltwater Intrusion Study		51,686				51,686
Groundwater Tracer Study		5,213				5,213
Emergency Water Supply-USGS Cooperative Study		7,094				7,094
Insurance	11,731					11,731
Administrative Projects	31,897					31,897
In-County Credit	445,521					445,521
Dams & Reservoirs - General		11,613		106,953		118,566
Gilroy Agricultural Reuse		8,978				8,978
Water Rights	16,521					16,521
State Water Project	13,661					13,661
Federal Water Project	91,029					91,029
Water Conservation Project	47,500		2,500			50,000
Reservoir Landslide Investigation		47,868				47,868
SCVWD Reclamation Facility			284,016		145,218	429,234
Hetch Hetchy Water Project	4,779					4,779
Weather Modification					70,409	70,409
Source of Supply - Maintenance				104,401		104,401
Source of Supply - Operations					3,713,577	3,713,577
Anderson Dam & Reservoir			16,393			16,393
Coyote Dam & Res. Ldslide Investig.		69,332				69,332
Guadalupe Dam & Reservoir				39,363		39,363
Lexington Dam & Reservoir		19,378	16,393			35,771
Total	$ 767,793	243,775	319,302	250,717	3,929,204	5,510,791

RAW WATER TRANSMISSION & DISTRIBUTION

BACKGROUND INFORMATION

The Raw Water Transmission and Distribution Cost Center is the second of five cost centers within the Water Utility Enterprise. This Cost Center contains all expenditures relating to the distribution of raw water. The distribution system consists of pipelines, canals and percolation ponds and includes the use of creek systems.

SUMMARY BY PROGRAM

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Administration	$ 85,545	80,615	96,152	135,314	135,314
Planning		3,652	35,536	50,627	50,627
Construction	498,725	481,057	1,224,273	1,106,899	1,106,899
Maintenance	629,729	443,561	672,067	737,150	737,150
Operations	405,928	451,566	459,700	532,589	532,589
Total	$1,619,927	1,460,451	2,487,728	2,562,579	2,562,579

Administration Program

This program includes Ordinance Administration, Replacement Fund, Insurance and Administrative Projects. The budgeted amount of $135,314 reflects an increase of $39,162 compared to the preceding year. This increase is due primarily to increased activity in the Ordinance Administration area and to a minor increase in Administrative Projects.

Planning Program

Funds budgeted in this program provide for various planning studies, preparation of hearing plans and environmental impact reports. The budgeted amount of $50,627 provides for the following projects:

Hydraulic Gradeline Study - SBA $3,905

This project provides for the investigation of the feasibility of increasing the height of the air vent risers at several locations on the South Bay Aqueduct including the risers at the South Bay Aqueduct Terminal Tank. This would allow increased flow through the In-County Water Distribution System.

Raw Water Distribution - General $11,412

This project provides for a continuing study to determine the locations of additional offstream groundwater recharge facilities.

Saratoga Percolation System $14,967

This project provides for an investigation of County lands which may be used for groundwater recharge facilities. The project location is adjacent to Saratoga Creek and includes the reach from Prospect Road to Stevens Creek Boulevard. Materials removed for percolation facilities will be used for levee road maintenance. Public meetings will be held in the area to determine opinions of local residents.

Evergreen Distribution System $20,343

This project provides funds to conduct geologic mapping, drilling, sampling, testing, analysis, and cost estimates of repair or correction of landslides along the Evergreen Canal. If repairs are not economical, cost estimates of alternative routes for the canal will be made.

Construction Program

This program provides for the acquisition or construction of new physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $1,106,899 includes the following projects:

Vasona Pump Station $799,084

This project provides for construction of an emergency supplemental water supply system at the existing Vasona Pump Station. The project will provide an emergency water supply to the water treatment plants in the event of a failure of the existing single source water importation system. Completion is scheduled for 1976-77.

Control System - Raw Water $10,968

This project provides for the addition of four turnouts to the telemetry system and the installation and commissioning of the digital telemetry system which was purchased in 1975-76.

Camden Percolation System $10,874

This project provides for contract administration and design liaison for the installation of landscaping at the Camden Percolation Facility in the City of Campbell.

Penitencia Percolation System $103,515

This project provides for the construction of a new turnout to replace the existing low-capacity turnout used to divert more water from Upper Penitencia Creek to the groundwater recharge ponds.

Budd Avenue Percolation Ponds $40,632

This project provides for design and construction of landscape improvements around the Budd Avenue recharge ponds.

Alamaden-Calero Canal $12,933

This project provides for contract administration to complete construction of the Almaden-Calero Canal emergency spillways project.

Coyote-Madrone Distribution System $128,893

This project provides for the design and construction of a pipeline that will deliver water to the Madrone Channel for percolation. The installation of a pumping station to maintain irrigation pressure is also included.

Maintenance Program

Funds budgeted in this program reflect a $65,083 or a 10 percent increase compared to the preceding year. The funds provide for normal maintenance requirements within the Cost Center. No special maintenance projects are anticipated during the 1976-77 budget year.

Operations Program

The funds budgeted in this program reflect a $72,889 or a 16 percent increase compared to the preceding year. The funds provide for normal operations of the Raw Water Distribution System. No unusual or special operating costs are anticipated during the 1976-77 budget year.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM					Project Totals
	Administration	Planning	Construction	Maintenance	Operations	
Ordinance Administration	$ 67,198					67,198
Replacement Fund	44,218					44,218
Hydraulic Gradeline Study-SBA		3,905				3,905
Insurance	6,920					6,920
Administrative Projects	16,978					16,978
Raw Water Dist. - General		11,412				11,412
Vasona Pump Station			799,084			799,084
Saratoga Percolation System		14,967				14,967
Control System-Raw Water			10,968			10,968
Camden Percolation System			10,874			10,874
Evergreen Distribution System		20,343				20,343
Penitencia Percolation System			103,515			103,515
Water Control System				26,165	82,650	108,815
Budd Ave. Perc. Ponds			40,632			40,632
Almaden-Calero Canal			12,933			12,933
Raw Water T&D - Maintenance				710,985		710,985
Raw Water T&D - Operations					449,939	449,939
Coyote-Madrone Dist. System			128,893			128,893
Total	$ 135,314	50,627	1,106,899	737,150	532,589	2,562,579

WATER TREATMENT

BACKGROUND INFORMATION

The Water Treatment Cost Center is the third of five cost centers in the Water Utility Enterprise. This Cost Center contains all expenditures associated with the purification of water at the Rinconada Water Treatment Plant and the Penitencia Water Treatment Plant. The expiration date of the current five-year rate period for treated water is June 30, 1981.

SUMMARY BY PROGRAM

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Administration	$ 14,028	16,172	119,778	105,501	105,501
Planning		124			
Construction	3,590,114	991,308	364,151	187,617	187,617
Maintenance	228,902	356,124	390,768	524,508	524,508
Operations	586,115	1,074,338	1,183,349	1,498,304	1,498,304
Total	$4,419,159	2,438,066	2,058,046	2,315,930	2,315,930

Administration Program

This program contains a Replacement Fund and an Insurance Project. The budgeted amount of $105,501 reflects a $14,277 decrease compared to the preceding year. The decrease is due to a reduction of the estimated extraordinary repair of mechanical and electrical equipment at the Penitencia Water Treatment Plant, Rinconada Water Treatment Plant and the Supervisory Control System.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $187,617 includes the following projects:

Penitencia Water Treatment Plant $59,849

This project provides for continuing contract administration on the construction of sidewalks and street lightings along the extensions of Whitman Way and Vista Del Mar at the Penitencia Water Treatment Plant. Also included is funding for the design and

construction of a small warehouse with a loading dock to be used for chemical storage. The project also includes funding for a supplemental backwash water recovery pump and a diaphram sludge pump.

Rinconada Water Treatment Plant $4,542

This project will provide for the design and installation of a high rate flow filter media. The plant is currently operating at full capacity. The filter media will allow an increased capacity of 20 and 25 percent and will meet the water needs for the near future without requiring physical plant expansion.

Control System - Rinconada Water Treatment Plant $123,226

This project provides for the modification and upgrading of all Rinconada Water Treatment Plant control activities. This includes replacement of the logic rack and the analog to digital converter. The current system cannot economically be expanded. This modification will allow for a more reliable, easier-to-operate control system and provide for the necessary future expansion capability.

Maintenance Program

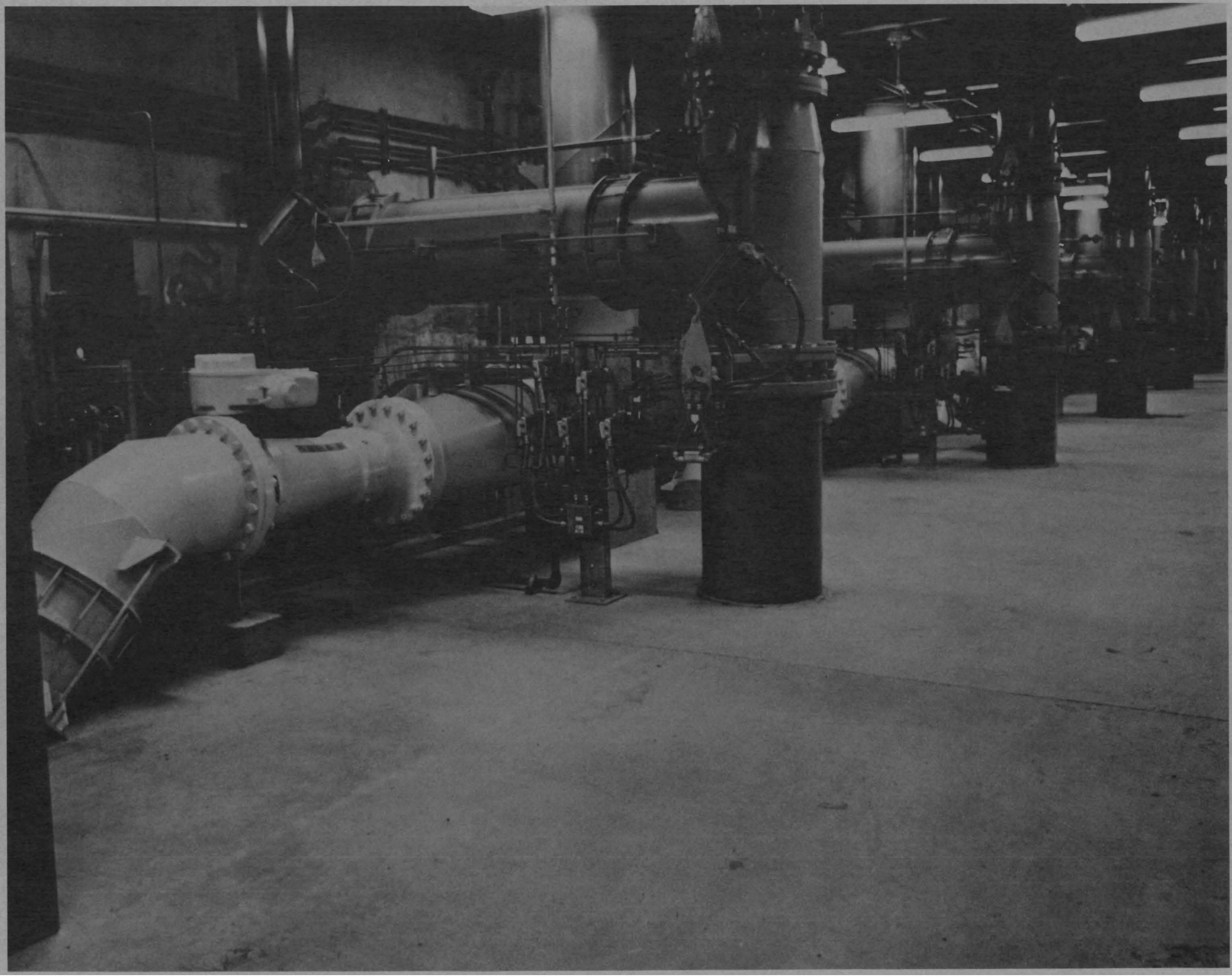
Funds budgeted in this program provide for normal maintenance requirements within the Cost Center. An increase of $133,740 is due partially to inflationary trends and partially to the increased level of maintenance necessary to maintain the control systems at the Rinconada Water Treatment Plant and the Penitemcia Water Treatment Plant.

Operations Program

Funds budgeted in this program provide for the normal operation of the two water treatment plants. A 27 percent increase in the cost of this program is due primarily to the increased cost of materials, services, and power.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM Administration	Planning	Construction	Maintenance	Operations	Project Totals
Replacement Fund	$ 90,501					90,501
Insurance	15,000					15,000
Penitencia WTP			59,849			59,849
Rinconada WTP			4,542			4,542
Control System RWTP			123,226			123,226
Water Control System				72,989	96,426	169,415
Water Treatment-Maintenance				451,519		451,519
Water Treatment-Operations					1,401,878	1,401,878
Total	$ 105,501		187,617	524,508	1,498,304	2,315,930



TREATED WATER TRANSMISSION & DISTRIBUTION

BACKGROUND INFORMATION

This Cost Center is the fourth of five cost centers within the Water Utility Enterprise. This Cost Center contains all expenditures relating to the distribution of treated water to retail customers and includes cost associated with the treated water reservoirs, pumping systems, pipelines and turnouts.

SUMMARY BY PROGRAM

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Administration	$ 33,282	30,008	67,365	77,468	77,468
Planning		319			
Construction	2,608,864	65,384	295,909	4,397,913	4,397,913
Maintenance	27,814	57,349	57,079	65,771	65,771
Operations	123,830	106,684	154,522	147,555	147,555
Total	$2,793,790	259,744	574,875	4,688,707	4,688,707

Administration Program

This program includes Ordinance Administration, Replacement Fund, Insurance and Administrative Projects. An increase of $10,103 is shown compared to the preceding year. The increase is due to slight increases in the Replacement Fund and in Administrative Projects.

Construction Program

This program provides for the acquisition or construction of new physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $4,397,913 provides for the following projects:

East Pipeline $1,110,550

This project consists of completing the plans and specifications and construction of 6,000 feet of force main that will complete the conduit that connects the Penitencia Water Treatment Plant with the East Reservoir. The project is located in East San Jose and extends from Aborn Road to the East Reservoir.

East Reservoir $3,207,944

This project provides for the completion of plans and specifications and the construction of a 20-million-gallon reservoir for treated water. The Treated Water Distribution System on the east side of the Santa Clara Valley was planned and designed for the utilization of a major reservoir.

West Pipeline $32,967

This project provides for the purchase and installation of six meters at treated water turnouts on the West Pipeline.

Control System - Treated Water $46,452

This project provides for the acquisition and installation of digital telemetry systems to provide more accurate flow metering for the treated water turnouts.

Potential Construction $600,000

Potential construction appropriations are provided for design and land acquisition for the West Side Reservoir ($600,000).

Maintenance Program

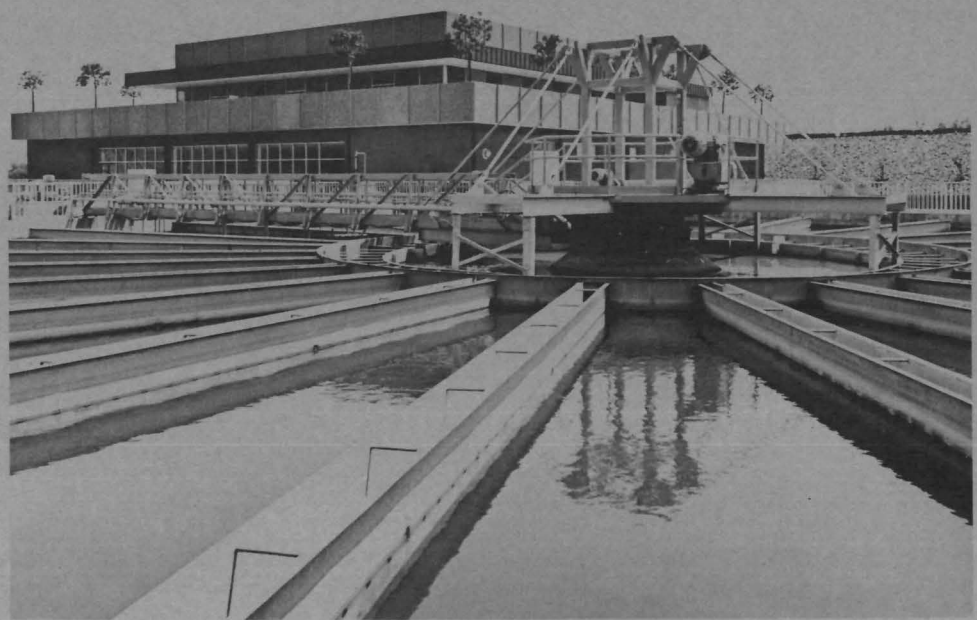
Funds budgeted in this program provide for normal maintenance requirements within the Cost Center. This project reflects an $8,692 or a 15 percent increase compared to the preceding year.

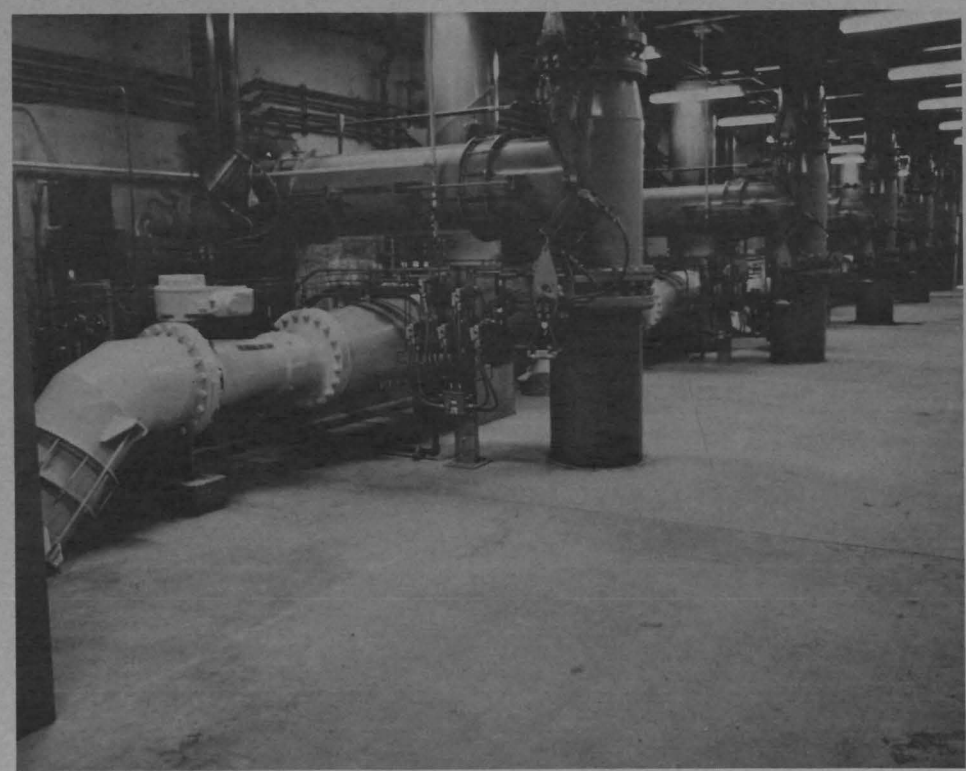
Operations Program

Funds budgeted in this program provide for normal operation of the Treated Water Distribution System. This program reflects a $6,967 or a 5 percent decrease compared to the preceding year.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM: Administration	Planning	Construction	Maintenance	Operations	Project Totals
Ordinance Administration	$ 26,807					26,807
Replacement Fund	36,413					36,413
Insurance	4,700					4,700
Administrative Projects	9,548					9,548
East Pipeline			1,110,550			1,110,550
East Reservoir			3,207,944			3,207,944
West Pipeline			32,967			32,967
Control Sys.-Treated Water			46,452			46,452
Water Control System				38,566	50,514	89,080
Treated Water T&D-Maintenance				27,205		27,205
Treated Water T&D-Operations					97,041	97,041
Total	$ 77,468		4,397,913	65,771	147,555	4,688,707





ADMINISTRATION AND GENERAL

BACKGROUND INFORMATION

This is the fifth cost center in the Water Utility Enterprise. It contains all expenditures of an administrative and planning nature which cannot be properly assigned to one of the other four cost centers. These costs include those related to the collection of groundwater charges, pricing analysis, financial and cash flow studies, preparation of required annual reports, general water management planning and similar related activities.

SUMMARY BY PROGRAM

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Administration	$ 117,941	112,918	184,503	213,433	213,433
Planning	210,243	354,643	433,988	480,833	480,833
Construction		3,400	3,990		
Maintenance	554			20,000	20,000
Operations	143,780	225,603	198,800	283,915	283,915
Total	$ 472,518	696,564	821,281	998,181	998,181

Administration Program

This program includes Insurance, Administrative Projects and Water Revenue Collection Projects. The budgeted amount of $213,433 reflects a 16 percent increase compared to the preceding year. This increase is due to the increased costs of the Water Revenue Collection Project and to inflation.

Planning Program

Funds budgeted in this program provide for various planning and special study projects that are not clearly identifiable with one of the other cost centers in the Water Utility Enterprise. Planning projects are:

Financial and Cash Flow Study $45,744

This project provides for the continuing evaluation of the effects of various operations, maintenance and construction project alternatives on the Water Utility's financial cash flow position. It also provides for the preparation of the annual financial analysis of the Water Utility.

Annual Water Supply Balance $30,414

This is a continuing project to develop and evaluate information on the changes in supply and groundwater extractions, and the resultant effect on the water resources management program of the District.

Water Reclamation Studies $71,965

This project is a continuing study and analysis of the feasibility of using reclaimed wastewater to meet a portion of the water needs of Santa Clara County. Studies during this fiscal year will focus on the potential for wastewater reclamation plants at Milpitas, San Jose-Santa Clara, and Gilroy as sources of supply for agriculture and other uses. Projects will be developed and submitted for grant approvals.

Groundwater Model $27,350

This project will provide for updating and calibrating the groundwater models developed by the State Department of Water Resources. Additional years of recorded data will be added to the model to achieve better verification and more accurate results.

Water Resources Master Planning $225,922

This is a continuing review of the prospective water demands, the various sources of supply including reclaimed wastewater, and the optimal methods of distributing the total supply to meet the demand. This study will provide the District with information on which both short-term and long-term decisions can be made. The project will also aid in the development of a five-year construction plan for the District's water supply facilities. In addition, operational studies will be undertaken using the mathematical models of the water distribution system and the groundwater basins to help formulate an optimum combined ground and surface water system.

Water Quality Studies $79,438

This is a continuing program of water quality evaluation of both surface and groundwater supplies. The project is composed of two parts. The first part is a general project to do short-term problem-related water quality studies. The second part is a continuing study with the State Department of Water Resources and the U. S. Geologic Survey to establish a water quality monitoring network. It will define the surface and groundwater quality characteristics, identify problem areas, and evaluate the potential future quality of water supplies.

Maintenance Program

This program contains a budgeted amount of $20,000 to be used as a contingency fund for major repair or replacement of equipment in the Water Utility which is not covered by the Replacement Fund.

Operations Program

Funds budgeted in this program reflect an $85,115 or a 42.8 percent increase compared to the previous year. The funds provide for field surveillance of groundwater and surface water production facilities, operation of the meter test facility, and meter testing and repair activities. The work in this program has required previous budget transfers and this budget more accurately reflects planned expenditures.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM					Project Totals
	Administration	Planning	Construction	Maintenance	Operations	
Insurance	$ 15,000					15,000
Administrative Projects	27,183					27,183
Water Revenue Collection	171,250					171,250
Water Measurement					283,915	283,915
Financial & Cash Flow Study		45,744				45,744
Annual Water Supply Balance		30,414				30,414
Water Reclamation Studies		71,965				71,965
Groundwater Model		27,350				27,350
Water Resources Master Planning		225,922				225,922
Admin. and General-Maintenance				20,000		20,000
Water Quality Studies		79,438				79,438
Total	$ 213,433	480,833		20,000	283,915	998,181

DISTRICT

DIRECT COSTS

GOVERNMENTAL PROGRAM

FIXED ASSETS

DISTRIBUTED EXPENSES

ADMINISTRATION PROGRAM

SERVICES AND SUPPLIES

THE DISTRICT COST CENTER

The District Cost Center budget is presented in two parts. The first part contains the budget for Direct Cost. Direct Cost consists of the Governmental Program and Fixed Assets. The second part contains the budget for Distributed Expense. Distributed Expense consists of the Administration Program and Services and Supplies.

The primary source of revenues to support the Direct Cost of the District Cost Center is obtained by the levy of a Districtwide administrative tax of $.021.

The reserves of the District Cost Center can be used to make loans to other cost centers as approved by the Board of Directors. The reserves for 1976-77 include an amount of $1,200,000 as a contingency against deficiencies in cash flow which could occur in several cost centers due to the magnitude of requests in the Construction Program. The appropriation will be used as required to maintain cost center solvency.

REVENUE SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Cash Beginning of Year	$2,352,077	2,935,258	3,313,479	3,310,000	3,257,121
Additional Sources					
Property Taxes	773,481	896,077	1,023,694	1,127,798	1,158,667
Interest	152,814	227,118	156,000	203,000	203,000
Agreements and Advances	607,285	215,719	48,461	437,963	437,963
Other	301,904	85,795			
Total Additional Sources	1,835,484	1,424,709	1,228,155	1,768,761	1,799,630
Total Cash Available	$4,187,561	4,359,967	4,541,634	5,078,761	5,056,751

OUTLAY SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Governmental Program	$ 536,098	712,675	857,613	1,024,977	1,024,977
Fixed Assets	266,205	208,162	346,573	422,156	422,156
Total Expenditures	802,303	920,837	1,204,186	1,447,133	1,447,133
Transfer to State Programs	450,000				
Reserves	2,935,258	3,439,130	3,337,448	3,631,628	3,609,618
Total	$4,187,561	4,359,967	4,541,634	5,078,761	5,056,751

Governmental Program

Projects within the Governmental Program are those which cannot be readily identified with Flood Control or Water Utility Cost Centers. They can be categorized as general type projects which support Districtwide activities. A comparative summary of expenditures in this program can be found in Exhibit 1, page 75.

Budgeted costs for fiscal year 1976-77 have increased $167,364 or 20 percent compared to the preceding year. This increase is due primarily to expansion of the Basic Data Collection, Basic Hydrology, and Environmental Impact Analysis Projects. Projects included in the Governmental Program are:

Basic Engineering — $61,516

This is a continuing project consisting of engineering research studies and analysis that result in improved engineering, planning, design, construction, operation and maintenance of future projects. This includes efforts in the area of the development of engineering standards and procedures manuals, the review and development of five-year schedules and longer periods for flood control and water supply planning and construction and review of project financing capabilities and goals. In fiscal year 1976-77 the project reflects an 18 percent increase compared to the amount budgeted in fiscal year 1975-76; this is due primarily to control systems research work.

Basic Data Collection — $323,070

This project consists of collection of basic data items such as the amounts and distributions of precipitation, streamflow quantities, depth to groundwater, water

quality, land surface elevations, sedimentation within District reservoirs and items of a similar nature gathered for the purpose of creating an historical record which can be used by present and future generations in the analysis of District flood control and water supply problems. Emphasis is being placed on the review of existing facilities for an improved and more effective data collection program to meet the needs of the District. This project reflects an increase of 16 percent compared to the preceding year; this is due primarily to increases in water quality work.

Flood Insurance Liaison Study $8,338

This project is a continuing program to provide for updating of flood maps for liaison with political jurisdictions relative to requirements of the Federal Flood Insurance Program and for dissemination of general information to all concerned with the program.

MIDS Subsystem Study $35,000

This project will provide for consulting services to continue the review of the financial subsystem. Work will involve the evaluation of documentation and data retention procedures, conversion and implementation techniques, development of operating manuals, and detail transaction test of specific programs to determine the adequacy and accuracy of the control procedures from an accounting and audit perspective. The project also provides for consulting services for review of the current concepts of the MIDS system and to reassess the original MIDS concept and formulate a master plan for the upcoming years.

Flood Warning System $15,544

This project provides for the investigation of alternatives that could provide early warning of potential floods. It will evaluate the streams in the District and provide for the instrumentation of a selected stream to be used as a pilot study for the feasibility of an early warning system.

Insurance Project $15,000

This project provides for an insurance reserve to meet the deductible amounts in the event of a loss, reimbursement costs of damages to District fixed assets that are not insured, and pay for additional premiums generated due to market fluctuations or adverse loss experience. This reserve can be used on a loan basis to other cost centers where the individual cost center reserve is depleted.

Administrative Projects $323,533

This project includes all the time chargeable to District administrative work which cannot be directly related to a Flood Control Cost Center or Water Utility Cost Center but rather has a benefit to the District as a whole. The following is a list of functions usually found within the basic project: Personnel Education and Training, Personnel Recruitment, Budget Preparation and Meetings, Real Estate Administration, Survey Administration, Administrative Analysis, Storm Patrol, Updating of Manuals, Personnel Safety, Board Administrative Assistance, and the Geographic Name Study.

Basic Hydrology $45,168

This is a continuing project which consists of analysis of data collected under the Basic Data Collection Project. Analysis of the data will result in updating our current methods of computer design flood flows and determining the optimum reservoir operation of our existing reservoir system. The increased cost of this project represents a one-year heavy application of computer services to reflect the changing needs of the hydrology program.

Community Employment Project $4,888

This project provides for District participation in community employment programs. These programs are usually on a shared cost basis. Currently being considered is a cooperative effort with the Community Employment and Training Act (CETA) administered by the Manpower Planning Board.

Directors Fees and Expenses $53,500

This project provides for the expenditures of members of the District's Board of Directors.

Public Education $89,771

This project provides for the operation and management of a Districtwide program of public information and education. Activities include preparation of information displays, brochures, and periodic publications for internal and external informational use, provide for tours of District facilities, manage and promote the Speakers Bureau, participate in the County Fair, conduct liaison work with film production, advertising, graphics and public relations, consultants for services related to the District's overall public information requirements, provide public information advice and consultation to other District managers and units, and provide written and graphics communication to other District units.

Environmental Analysis $41,352

This project provides for review and formal comment on environmental impact reports submitted to the District by outside agencies and general support of environmental impact activities. This support includes such things as the review and preparation of District environmental impact report guidelines, procedures, and community informational meetings relative to the District's environmental impact report process. Also provided for is the research and writing of a manual dealing with the planting, care and maintenance of selected and naturalized plants of Santa Clara County which are used for landscaping.

Fish Assistance $8,297

This project provides for the relocation of fish from various waters in the District when it is necessary for District operation. This is a cooperative program with the Department of Fish and Game and County Parks and Recreation Department.

Fixed Assets

Fixed Assets purchased from the District Cost Center are used to support Districtwide activities as a whole. They are the types that cannot be identified with or purchased from the funds of any other cost center. A comparative summary of expenditures can be found on page 76.

Land $80,000

These funds are designated for the purchase of land adjacent to the District Headquarters in connection with the widening of Almaden Expressway. This item is being rebudgeted from the preceding year.

Structures and Improvements $77,500

This account reflects a slight decrease from the preceding year. The budgeted amount is due to rebudgeting for construction of additional spaces adjacent to the Headquarters Building due to widening of Almaden Expressway; an equipment storage shed in the Maintenance Shop area; alterations and modifications to the District Administration Building; installation of an automatic fire extinguisher system in the computer facility area; and acquisition of land for construction of streamflow stations.

Office Equipment $25,289

Budgeted funds provide for the acquisition and replacement of typewriters, calculators, mail handling, and printing and reproduction equipment.

Automotive Equipment $15,230

This account has been increased by $3,595 over the preceding year. The budgeted funds are necessary to provide one light utility truck to be used in connection with the Well Sealing and Construction Ordinance, one compact four-door sedan to provide adequate support in the motor pool, and one 1-ton flatbed truck to be used to support the Gradall equipment.

Communications Equipment $15,569

This account shows a $10,319 increase compared to the preceding year. Budgeted funds are necessary to replace seven obsolete radios which were recommended for replacement by the County Communications, provide one new radio for the Gradall support truck, provide a new base transmitter to replace the current unit, and provide for a portable radio with mounting brackets to provide greater flexibility in the assignment of radios to Maintenance work crews. In addition, the requested funds are to provide for acquisition of citizens band radio equipment to be used for flood or earthquake disaster support.

Hydrologic Equipment $110,992

This account shows a $45,489 increase compared to the preceding year. Funds are budgeted to provide for construction of two streamflow gage stations and five streamflow station houses. Also provided for is a printer attachment for hydrologic data preprocessing equipment to work in connection with the District's computer, well-sounding equipment for groundwater measurements, and equipment required to provide for a flood warning system.

Water Measuring Equipment $6,250

This account has been increased by $3,400 compared to the preceding year. Budgeted funds are to provide propeller meters for new installations or replacement of worn or damaged existing meters and to provide for a multi-parameter water quality analyzer and a portable gas-operated refrigerator for water quality studies.

Other Equipment $35,344

The budgeted amount represents a $31,540 decrease compared to the preceding year. New items of equipment being budgeted are 8mm movie equipment for public relations work; storage shelving and fireproof storage cabinets for files and records and chemical storage; computer CRT terminal devices; drafting machines; various pieces of pneumatic hydraulic and power maintenance equipment; a gas heater unit for the Maintenance Warehouse area; an oscilloscope to be used for field test work; and cabinets for the storage and protection of various water meter parts.

Office Furniture $7,082

The Office Furniture Account shows an $11,108 decrease compared to the preceding year. The account provides for various five-drawer cabinets; flat files for drawings and prints; rotary files for microfiche storage; work tables and charis for computer terminals; several replacement chairs and bookcases; and various pieces of patio furniture to replace broken and deteriorating furniture that is now being used.

Computer Equipment $48,900

The budgeted amount provides for the annual deferred payment on the Burroughs B-2700 system. This equipment is being purchased under an approved Lease-Purchase Agreement.

EXHIBIT 1

SUMMARY OF GOVERNMENTAL PROGRAM PROJECTS

Project	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Basic Engineering	$ 13,502	20,910	52,116	61,516	61,516
Basic Data Collection	198,072	263,554	278,871	323,070	323,070
Geographic Names Study		753			
Flood Insurance Liaison Study	2,023	7,027	7,251	8,338	8,338
Implementation Well Standards Study	4,912	2,026	8,599		
MIDS Subsystem Study	15,104	10,299	35,000	35,000	35,000
Audiovisual Study			2,500		
Flood Warning System				15,544	15,544
Insurance Project			15,000	15,000	15,000
Administrative Projects	228,336	258,713	276,041	323,533	323,533
Basic Hydrology	16,103	21,989	22,669	45,168	45,168
Community Employment Project	491	3,173	4,165	4,888	4,888
Directors Fees and Expenses	22,720	40,364	53,500	53,500	53,500
Public Education	34,301	59,054	78,978	89,771	89,771
Environmental Analysis		24,740	17,608	41,352	41,352
Fish Assistance	534	73	5,315	8,297	8,297
Total	$ 536,098	712,675	857,613	1,024,977	1,024,977

EXHIBIT 2

SUMMARY OF FIXED ASSET ACCOUNTS

Account		Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
1200	Land	$ 40,000		83,000	80,000	80,000
1305	Structures & Improvements	48,657	68,719	79,300	77,500	77,500
1401	Office Equipment	10,293	9,524	13,961	25,289	25,289
1402	Automotive Equipment		30,038	11,635	15,230	15,230
1403	Communication Equipment	9,052	3,503	5,250	15,569	15,569
1404	Hydrologic Equipment	12,510	21,918	65,503	110,992	110,992
1405	Water Measuring Equipment	3,650	6,453	2,850	6,250	6,250
1406	Other Equipment	126,142	52,332	66,884	35,344	35,344
1407	Office Furniture	15,901	15,675	18,190	7,082	7,082
1408	Computer Equipment				48,900	48,900
Total		$ 266,205	208,162	346,573	422,156	422,156

DISTRIBUTED EXPENSE

Distributed Expense is overhead cost. Overhead consists of the District Cost Center's Administration Program and its Services and Supplies accounts. These expenditures are reimbursed by applying the Distributed Expense as an overhead rate to all District labor charged to work performed in other cost centers. Since all costs are reimbursed, expenditures for Distributed Expense do not reduce the revenues of the District Cost Center. The following is a historical review of Distributed Expense.

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Administration Program	$1,841,205	2,077,575	2,489,640	2,962,265	2,962,265
Services and Supplies	442,933	582,294	630,992	713,212	713,212
Total Expenditures	$2,284,138	2,659,869	3,120,632	3,675,477	3,675,477

Administration Program

The Administration Program expenditures are those which support Districtwide activities and therefore cannot be charged directly to another cost center or fund. These projects reflect a $472,625 increase compared to the preceding year.

Sick Leave, Vacation, etc. $767,239

This project includes all time chargeable to sick leave, vacation, holidays, jury duty, military leave, and approved leave with pay. This project reflects a $78,681 increase compared to the preceding year.

Ordinance Administration $22,776

This project provides for labor necessary to prepare manuals, standards and design aids to assist in the enforcement and application of Ordinance 74-1.

General Services $121,866

This project provides for District labor spent in general activities such as purchasing, reproduction and printing services, claims administration, equipment and materials inventory, building maintenance administration, and messenger services.

Finance Services $161,717

This project provides accounting services for all areas of the District including Flood Control Zone Accounting, Water Utility Accounting, General Governmental Accounting, Revenue Accounting, Payroll and Investments and Equipment Working Capital Fund Accounting.

Secretarial Services $402,285

This project provides for the secretarial and clerical services for the entire District. This includes personnel records, reception services, library services, filing, mail distribution, maintenance of minutes for committees and the Board of Directors, dictation, typing and general secretarial services.

Management Project $353,508

This project provides for time spent by management personnel of the District.

Data Processing, Engineering and Scientific $10,240

This project provides applications-systems design, programming, debugging, production and maintenance of engineering and scientific data processing applications which are of general benefit to the entire District.

Data Processing, Business, Administrative and Commercial $80,606

This project is for the systems design, programming, debugging, operations and maintenance of business, administrative and commercial data processing applications that are of general benefit to the entire District.

Computer Systems Analysis $17,606

This project provides for analysis and evaluation of proposed computer configurations, terminals, new programs, and new operation techniques.

Data Processing Operations $57,723

This project provides for data processing operations required by and associated with the in-house computer facility.

Administration Center Maintenance $91,940

This project provides for the routine maintenance, custodial and landscaping work required to maintain the Administration and Maintenance Headquarters, the Almaden Yard area and Class IV equipment.

Employee Benefits $874,759

This project provides for funding the employee health and accident insurance, long-term disability, dental insurance, basic life insurance and retirement program through the Public Employees Retirement System.

Services and Supplies

Services and Supplies purchased from the District Cost Center are used to support District-wide activities as a whole. They are of the type that cannot be identified with or purchased directly from the funds of any other cost center. The cost of Services and Supplies are, however, recovered as applied overhead. Services and Supplies' costs have increased approximately 13 percent compared to the prior fiscal year.

Communications $51,485

The Communications account reflects a $1,189 decrease compared to the preceding year. This reduction is due partially to fewer number of planned telephone changes and no reported substantial increases in communications rates.

Insurance - Workers' Compensation $106,230

This account provides premiums for Workers' Compensation Insurance. Quarterly and deposit premiums are $5,000. The experience modification has increased and is set at 68 percent of premium computed at basic or scheduled rates. Standard classification rates for 1976-77 have been increased by 25-46 percent.

Insurance - Other $4,500

This account includes property insurance for Administration Headquarters and Maintenance buildings and contents, miscellaneous tools, non-owned aircraft insurance, and various forms of crime coverage (employee bonds, etc.).

Maintenance Services $98,172

This account provides for photographic, drafting and survey equipment maintenance, janitorial services, fire extinguisher services, pest control services, elevator maintenance, air-conditioning and heating service, relamping and lighting service and maintenance of mobile and remote radio units. Also included are maintenance contracts on various pieces of District-owned office equipment and the in-house computer system.

Materials and Supplies $40,385

This account has been reduced 31 percent compared to the previous year. The account includes funding for graphic art and safety supplies, miscellaneous janitorial supplies, lumber, paint, steel pipe, welding and masonary supplies, protective clothing and other materials necessary for maintenance work at the Administration and Maintenance Headquarters buildings.

Memberships $10,813

This account includes funding to provide for various professional and technical memberships in associations which relate to the functions of the District. The account shows an increase of 12 percent compared to the preceding year.

Office Expense - General Supplies $45,700

This account includes drafting supplies, notebooks, binders, pencils, graph paper, tab cards, labels, library supplies and other supplies of a general nature. This account shows no significant change compared to the amount budgeted the preceding year.

Office Expense - Reproduction Supplies $22,988

This account includes copier supplies, paper and bindery supplies, and supplies used for the blueprint machines. Also included are paper and operating supplies for the District copy center.

Office Expense - Printing and Binding $17,408

This account includes funding for printing of the Annual Report, payroll and general check forms, W-2 forms, business cards, maps and various real estate and legal forms which cannot be printed using District reproduction equipment.

Office Expense - Postage $20,310

This account provides funding for metered mail and miscellaneous postage.

Contract Services - Auditing $16,700

This account provides for the auditing fee for the last year of a three-year contract. Also included is a small contingency amount to cover special reports and studies.

Contract Services - Data Processing $35,680

This account provides for computer services which cannot be supplied by the current in-house facilities. Included are keypunching services to provide for vacations and unusual backlogs, contract programming to reduce backlog of work in the business and finance areas, and funding for the acquisition of special computer applications software packages.

Contract Services - Legal $2,500

This account is to provide for retaining special counsel to assist in legal matters concerning the District.

Contract Services - Other $19,690

Budgeted amounts provide for pre-employment physicals and placement testing, preparation of history of the District as approved by the Board of Directors, microfilming of ordinance information, updating of the evaluation of the District's buildings and contents, security and fire alarm services for the Administration building, after hours availability of District cafeteria services, messenger service in support of microfilming contract work and the renewal of Real Estate Atlas for Santa Clara County including Santa Clara County aerial maps.

Publication Fees and Legal Notices $5,100

This account is to provide for recruitment advertising to fill current District vacancies and miscellaneous legal advertisements and notices.

Lease Expense - Equipment $78,158

Requested funding provides for the lease of a portion of the Burroughs computer system, duplicating machines, keypunch and verifying machines, and the rental of equipment to be used for maintenance of the Administration and Maintenance buildings and grounds.

Small Tools and Instruments $28,554

This account is to provide for general small tools and instruments required by the District. In addition funds have been budgeted to provide for safety equipment necessary to meet the requirements of the Occupational Safety and Health Act.

Special Expense - Education $18,000

This account provides for tuition fees, text books, and supplies for educational courses, seminars, conferences, and training programs.

Special Expense - Other $24,839

This account provides for the acquisition of publications, library documents, and employee awards as well as for the procurement of film and photographic processing. Also included is an amount of $3,800 to provide for the general election in November.

Transportation and Travel - Public/Lodging/Meals $26,000

This account provides funding for authorized travel by the staff when on District business. The budgeted amount also includes lodging and meals.

Utilities $40,000

This funding is to provide utilities at the Administration and Maintenance Headquarters buildings. Budgeted amounts include funding for water, gas, electricity, disposal and dump charges, standby charges, and sewer service and use charges.

EXHIBIT 3

SUMMARY OF ADMINISTRATION PROGRAM PROJECTS

Project	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Sick Leave, Vacation, etc.	$ 516,559	562,706	688,558	767,239	767,239
Ordinance Administration	10,670	13,965	14,187	22,776	22,776
Unplanned Studies	287				
General Services	78,075	89,330	93,110	121,866	121,866
Finance Services	120,163	127,063	145,631	161,717	161,717
Secretarial Services	213,176	252,650	350,008	402,285	402,285
Management Project	281,571	288,657	312,488	353,508	353,508
DP - Engineering & Scientific	16,467	4,856	9,160	10,240	10,240
DP - Bus. Admin. & Commercial	71,254	68,898	84,280	80,606	80,606
Computer Systems Analysis	16,238	17,410	14,656	17,606	17,606
Data Processing Operations	6,404	26,424	27,851	57,723	57,723
Administration Center Maintenance	69,309	71,034	82,142	91,940	91,940
Employee Benefits	441,032	554,582	667,569	874,759	874,759
Total	$1,841,205	2,077,575	2,489,640	2,962,265	2,962,265

DISTRICT DISTRIBUTED EXPENSE

EXHIBIT 4

SUMMARY OF SERVICES AND SUPPLIES ACCOUNTS

Account		Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
6100	Communications	$ 39,474	47,512	52,674	51,485	51,485
6510	Insurance-Workers' Comp.	32,150	37,659	55,800	106,230	106,230
6520	Insurance-Other	2,155	4,765	4,500	4,500	4,500
7200	Maintenance Services	45,644	53,759	67,347	98,172	98,172
7400	Materials and Supplies	33,071	50,526	58,810	40,385	40,385
7700	Memberships	4,840	5,628	9,637	10,813	10,813
7810	Office Expense-General Supplies	22,579	37,944	45,583	45,700	45,700
7820	Office Expense-Repro. Supplies	14,248	16,084	21,894	22,988	22,988
7830	Office Exp.-Printing & Binding	22,752	18,938	15,890	17,408	17,408
7840	Office Expense-Postage	7,558	13,306	15,290	20,310	20,310
8020	Contract Services-Auditing	12,750	13,300	16,700	16,700	16,700
8030	Contract Services-DP	52,720	46,948	23,000	35,680	35,680
8050	Contract Services-Legal	-	-	-	2,500	2,500
8060	Contract Services-Other	21,602	21,381	12,305	19,690	19,690
8100	Public Fees & Legal Notices	5,636	2,442	6,100	5,100	5,100
8420	Lease Expense-Equipment	42,182	108,464	101,126	78,158	78,158
8600	Small Tools & Instruments	11,145	13,994	19,205	21,104	21,104
8610	Small Tools & Instr.-Survey	2,254	5,508	5,390	7,450	7,450
8710	Special Expense-Education	11,420	13,546	16,000	18,000	18,000
8730	Special Expense-Other	11,632	14,907	27,357	24,839	24,839
9110	Trans.& Trav.-Pub./Lodg./Meals	17,079	22,649	21,650	26,000	26,000
9300	Utilities	30,042	33,034	34,734	40,000	40,000
Total		$ 442,933	582,294	630,992	713,212	713,212

SERVICE FUND

EQUIPMENT WORKING CAPITAL FUND

REVENUE SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Cash Beginning of Year	$ 300,801	188,756	320,274	670,000	654,979
Revenue Sources					
Equipment Rental	286,059	439,565	324,526	632,466	632,466
Interest	21,656	20,883	15,000	36,000	36,000
Sale of Equipment	15,640	26,312	10,000	20,000	20,000
Total Revenue	323,355	486,760	349,526	688,466	688,466
Total Cash Available	$ 624,156	675,516	669,800	1,358,466	1,343,445

OUTLAY SUMMARY

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Operating Expense	$ 227,719	276,704	292,619	389,159	389,159
Equipment Purchase	202,638	62,035	85,622	93,710	93,710
Total Expenditures	430,357	338,739	378,241	482,869	482,869
Inter-Fund Adjustment	5,043	10,682	5,377	13,347	13,347
Reserves	188,756	326,095	286,182	862,250	847,229
Total	$ 624,156	675,516	669,800	1,358,466	1,343,445

BACKGROUND INFORMATION

The Equipment Working Capital Fund was established for the purpose of maintaining, operating, and replacing three types of mobile equipment owned by the District. Type I Equipment consists of sedans and pickup trucks, Type II Equipment consists of heavy-duty trucks, and Type III Equipment consists of heavy-operating equipment such as bulldozers, draglines, and other similar types of equipment used for maintenance of District projects.

The Equipment Working Capital Fund is self-supporting with all replacement and maintenance cost being charged by preestablished rates to all projects in the various cost centers. The expenses of the Equipment Working Capital Fund are recovered by a mileage rate charged on Type I Equipment and hourly rate charged for Types II and III Equipment.

Equipment Purchases

The Equipment Purchases section is used to reflect the cost of all equipment items. The budgeted amount of $93,710 is necessary to provide for the replacement of the various classes of equipment shown below. The necessary funding is provided by current revenues supplemented by reserve amounts accumulated for the replacement of equipment items. The items listed for replacement have been selected on the basis of accumulated mileage, obsolescence, and planned needs of the District.

Class I Equipment $83,710

Class I Equipment items scheduled for replacement consist of four compact sedans, five light utility trucks, six standard pickups, one survey truck which will be replaced by a van, one carryall which will be replaced by a 1/2-ton standard pickup, one 4-wheel drive vehicle, and one van. The above figure represents replacement amounts which were generated by the established equipment usage rates.

Class III Equipment $10,000

Class III vehicles recommended for replacement consists of one forklift #7601. The above figure represents replacement amounts which were generated by the established equipment usage rates.

Operating Expense

The Operating Expense section of the Equipment Working Capital Fund provides for insurance, materials and supplies, and District labor to service and maintain all equipment items within the Fund. Budgeted cost of $389,159 reflects a $96,540 or a 33 percent increase compared to the preceding year.

SUMMARY OF PURCHASES AND OPERATING EXPENSE

	Actual 1973-74	Actual 1974-75	Approved 1975-76	Requested 1976-77	Final 1976-77
Equipment Purchases					
Class I	$ 78,832	62,035	85,622	83,710	83,710
Class II	53,085				
Class III	70,721			10,000	10,000
Operating Expense	227,719	276,704	292,619	389,159	389,159
Total Purchases and Expense	$ 430,357	338,739	378,241	482,869	482,869